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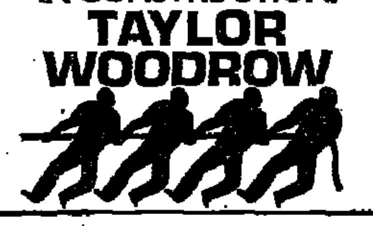

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NEWS SUMMARY

GENERAL

Muskie fears Iran break-up

U.S. Secretary of State Edmund Muskie said yesterday he feared Iran's territorial integrity was threatened by the "Iraqi invasion," and that a cohesive and stable Iran was in the region's best interests.

Though he reiterated U.S. neutrality in the conflict, his reference to "invasion" suggested for the first time that the Administration held Iraq responsible for the fighting, and feared that Iran might be broken up.

Meanwhile, the speaker of the Iran Parliament said conditions for the release of the U.S. hostages in Tehran would be fixed in the "next two or three days" and there was only a remote chance that they would stand trial. Page 4

Lady Barnett dies

Former television star Lady Isobel Barnett, 62, was found dead at her home. She was last week fined after denying a shoplifting charge.

Greece for NATO

NATO approved the return of Greece to its military wing after six years' absence, and the Greek Government plans to seek a vote of confidence on the subject this week. Page 3

Bourse bomb

Trading stopped for almost an hour after a time bomb was found in the Paris Stock Exchange.

Bar to TV women

Sex discrimination in television means women hold only 1.3 per cent of top management jobs, and most are production assistants, continuity girls or production secretaries, Baroness Seear said.

S. Africa blast

A nuclear explosion in the South Atlantic last year resulted from an international deal supplying arms to South Africa in defiance of a UN embargo, the World in Action television programme reported last night.

Picket code 'rigid'

The Government's codes of practice on picketing and the closed shop would be "far too restrictive" if made law, said Employment Secretary James Prior. Page 11

Gas 'cheapest'

Gas is by far the cheapest way of heating homes and cooking, according to new British Gas Corporation figures. Page 8

Mayors lose case

Two Palestinian mayors lost an appeal against their deportation from the Israeli-occupied West Bank of the Jordan five months ago, and plan to take the case to Israel's Supreme Court. Page 4

Drug death

One man died and seven people were in a Dublin hospital, apparently after taking strychnine they thought was cocaine.

Cheaply beloved

South Korean brides who spend more than 830,000 won (£574) on their weddings or have more than two bouquets now face a year in jail under laws to enforce frugal living.

Briefly . . .

The ousted Khmer Rouge regime accused Vietnam of stealing treasures from Kampuchea's Angkor temples.

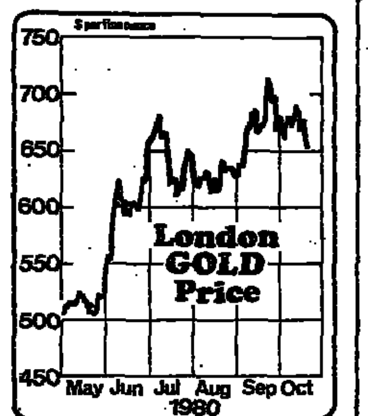
Former TV newsreader Reginald Bosanquet and columnist Anna Raeburn standing for election as rector of Glasgow University.

Death reported of Fred, 41, Britain's oldest goldfish.

BUSINESS

Gold falls by $15; Equities off 3.6

● GOLD fell to its lowest level for over a month in the London bullion market and closed at



$651.5, a fall of $15 an ounce from Friday. Page 37

● STERLING'S trade weighted index rose to 77.8 from 77.2, a new 5½-year high. It closed at $2.43 ($2.4155). Page 37

● DOLLAR was boosted by the current weakness of the D-Mark and by Friday's U.S. money supply figures which showed a further rise. It closed at DM 1.8640 (DM 1.8425) but eased against the Swiss franc to SwFr 1.6570 (SwFr 1.6575). Its trade weighted index was up from 83.9 to 84.2. Page 37

● EQUITIES settled marginally easier following receipt of last month's retail sales figures which continued the recent downturn. The FT 30-share index closed 3.6 down at 477.5. Page 40

● GILTS were held back by a continuing lack of investment funds. Sterling's early lower trend was another depressing influence but when the pound moved up late the losses were slightly reduced. The Government Security index was off 0.22 at 70.52. Page 40

● WALL STREET was down 3.07 at 953.07 near the close. Page 33

● PROSPECTS of a substantial drop in the mortgage rate when Minimum Lending Rate eventually falls have receded further due to forthcoming changes in building society tax rates. Back Page

● FINANCIAL position of industry has so far this year held up better than had been widely expected, according to Central Statistical Office figures. Back Page

● VOLUME of spending in the shops fell back sharply last month after a period of relative buoyancy during the summer. The retail industry is feeling the full force of recession. Back Page

● JAPANESE banks have advised London branches not to lend any more money to UK local authorities until their credit rating is clearer. Back Page

● LONDON Chamber of Commerce and Industry warned the Prime Minister that unless the Government tackled the liquidity crisis, it would "destroy the nation's industrial base in a tidal wave of closures." Page 10

● PROJECTIONS which suggest that Germany could again find itself with over 1m unemployed next year seems certain to increase pressure on the Bundesbank, the West German Central Bank, to further relax its monetary policy. Back Page

● AYRSHIRE MARINE boilermakers at the Hunsterston oil platform yard voted to return to work, ending the six week strike. Page 11

● HIGHLAND DISTILLERIES reports pre-tax profits of £5.82m for the year ended August 31 compared with £4.63m. Turnover was up from £56.73m to £64.25m. Page 26 and Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

ANZ	229	+ 12
Bowater	172	+ 9
Broken Hill Prop.	815	+ 50
Bryant	85	+ 4
Hampton Trust	69	+ 5
Kelsey Inds.	145	+ 10
Michael (J.)	18	+ 5
Renwick	59	+ 9
Spear (J. W.)	117	+ 7
Style	140	+ 20
United Carriers	225	+ 6
Whitworth Elec.	100	+ 18
Shackleton Pet.	105	+ 11
Pancontinental	395	+ 35
Peko-Wallsend	800	+ 60

FALLS

Exch. 12pc '13-'17	£99¼	− 1
Allied Colloids	103	− 6
Assoc. Fisheries	64	− 4
Electronic Machine	50	− 12
GEC	527	− 8
Hawker Siddeley	220	− 8
Highland Distilleries	109	− 3
ICI	320	− 6
Lucas Inds.	177	− 4
Radley Fashion	32	− 6
Royal Bank of Scotland	108	− 3
Sterling Credit	7	− 5
Hartebeest	£41½	− 2½
Venterspost	930	− 42
West Drie.	£43¾	− 1¾

Foot enters contest and poses threat to Healey's chances

BY RICHARD EVANS LOBBY EDITOR

MR. MICHAEL FOOT entered the Labour leadership contest last night as a candidate who could unite the party's warring factions. In doing so he posed a major threat to Mr. Denis Healey, who remains front-runner.

Mr. Foot's intervention, announced after he had received many representations from MPs and trade union leaders, makes the election much more open and almost certainly scotches any chances Mr. Peter Shore or Mr. John Silkin, the other declared candidates, might have had of beating Mr. Healey.

Mr. Foot has considerable support on the Left of the party, and because of his loyalty as deputy leader to Mr. Callaghan commands respect from many Centrist Labour MPs. It is this factor that will worry the supporters of Mr. Healey.

The campaign managers of the four candidates were revising their calculations on the outcome last night: the belief was that Mr. Healey, former Chancellor of the Exchequer, was now far less likely to win on the first ballot, the result of which is to be declared on November 4.

To win then he would need to secure more than half the votes cast, a formidable task now that he is opposed by the party's respected deputy leader.

TUC and Labour Party leaders yesterday mapped out a programme of policy discussions for the winter months that will influence Labour's next general election manifesto. Attempts to work out a "progressive" incomes policy are not expected to start until the New Year. Page 11
Editorial Comment, Page 24

The supposition is that either Mr. Silkin or Mr. Shore, or conceivably both if Mr. Foot takes a high proportion of votes from each, will drop out after the first ballot.

This would leave a play-off between Mr. Healey and Mr. Foot, in which many factors would have to be taken into account by MPs.

Mr. Foot made clear yesterday that he did not intend to be a caretaker candidate who would stand down once the new electoral college with an extended franchise was devised.

He sees himself as a candidate who, if elected, would fight the next General Election and remain as leader beyond that.

The choice would therefore depend on whether the key group of uncommitted Centre MPs preferred Mr. Healey, standing as champion of the Parliamentary Labour Party against attempts to devolve power to the party conference and the constituencies, or Mr. Foot as the candidate of reconciliation anxious to avoid a conflict between MPs and party activists.

Mr. Foot's opponents were claiming he was being deliberately used by the far Left as an interim candidate to allow Mr. Anthony Wedgwood Benn

Continued on Back Page

Clearers willing to take equity stakes in Massey

BY HAZEL DUFFY, IAN HARGREAVES AND MICHAEL LAFFERTY

THE BIG London clearing banks are willing to take equity stakes in the UK operations of the Massey-Ferguson group in an effort to rescue the failing Canadian-based agricultural equipment multinational.

This willingness to take equity — unprecedented in recent British banking history —is confirmation of Massey's plight.

The Canadian Government is also to take part in a rescue but has already made clear that any assistance would depend on all the 200 or so banks with loans to Massey also agreeing to take equity.

The clearing banks' willingness to take equity stakes in Massey marks a major point of departure from their traditional approach to corporate customers in financial trouble. In the past, British banks have called in the receiver, and sought to recover their loans.

British banks are thought to have loans of around £250m outstanding to the Massey-Ferguson group. Some two-thirds of this relates to the clearers, and Barclays Bank, followed by Midland, have the most at stake. Most of this lending is covered by Export Credits Guarantee Department guarantees.

The British clearers' decision is believed to have the support of the Bank of England. They took their decision after a meeting called by Barclays Bank about 10 days ago.

The British banks' indication of a commitment came only hours before the Canadian Government was due to make a statement on its willingness to help bail out Massey-Ferguson.

Expectations in London early last night was that all the group's bankers would be asked to convert some of their loans into equity as part of an overall rescue package for Massey-Ferguson.

The clearing banks appear to accept that this is now inevitable, but want to avoid taking avoid taking equity in the company, if possible.

Massey-Ferguson has substantial operations in the UK where it employs between 16,000 to 17,000 workers. These include Perkins diesel engine group in Peterborough, one of the world's largest, and the tractor factory in Coventry which employs around 6,000. The company's Canadian employees number 6,000.

Efforts in the UK to find a solution to Massey's financial problems have centred on trying to save these dual operations which are considered vital constituents of the British engineering sector.

The problem is that these activities are tied very closely to Massey's international manufacturing structure. Some 40 per cent of Perkins' engines, for example, go to Massey plants in Europe and North America for incorporation in agricultural equipment.

Both Massey and Perkins are also major contributors to UK engineering exports, some 70 to 80 per cent of their output going overseas, and important customers for the British components companies.

In spite of the group's importance, however, the British Government has made clear to Massey in Canada that there can be no question of Westminster taking part in a financial rescue.

Australian stock markets soar

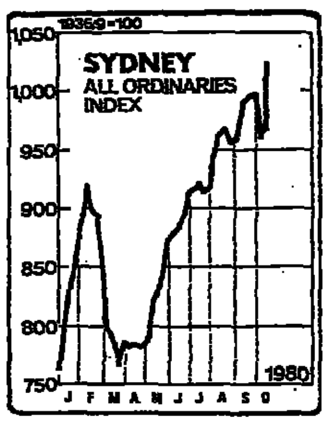
BY JAMES FORTH IN SYDNEY

AUSTRALIAN stock markets yesterday marked the re-election of Mr. Malcolm Fraser's Liberal-National Country party coalition government with the strongest one-day rise seen on local markets since trading began more than 100 years ago.

The Sydney All Ordinary Share Index surged through the 1,000-point level and closed the day 57.44 points higher at a record 1,025.29, a gain of almost 6 per cent.

Mr. Fraser's previous 48-seat majority in parliament was severely pruned in Saturday's election. But he still has a comfortable margin of between 15 and 27 seats despite the 6 per cent swing to the Labor party lead by Mr. Bill Hayden.

Final results may not be known for another week because of the need to wait for postal votes in seats where the



counting was very close.

The market surge more than made up for the sharp fall registered earlier this month when opinion polls indicated that Labor might win the election. Price rises totalled more than A$3bn (£1.47bn) across the board with gains outnumbering falls by 20-1.

In London, Mr. Fraser's return to power also led to active trading in Australian shares. In spite of some early selling, substantial gains of up to 50 pence were recorded in leading shares and speculative exploration issues.

The one-day gain in Australian markets was far greater than that which followed the sacking of Mr. Gough Whitlam's Labor Government on November 11, 1975, when the All Ordinaries Index rose 4 per cent, and even out-performed the best days of the Poseidon boom in late 1969 and 1970.

Turnover in equities more than doubled to A$64m on the

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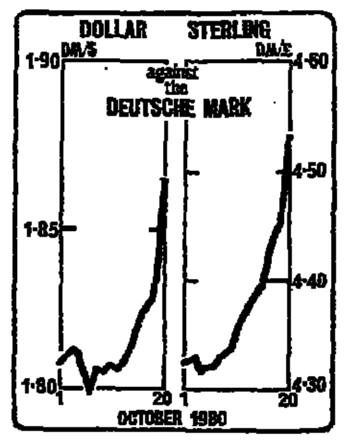


£ makes further big gains

By Peter Riddell, Economics Correspondent

STERLING yesterday rose to a 5½-year high against the dollar and made further large gains compared with main Continental currencies.

Consequently, the trade-weighted index, measuring the average value of sterling against a basket of other currencies, jumped by 0.6 points to 77.8 for an appreciation of 2¾ per cent so far this month.

The strong rise in the pound, especially in the last few days, reflects not only familiar petrocurrency influences but, also, a rise in sterling interest rates.

For instance, one-month Euro-sterling rates yesterday rose by nearly ¾ of a point to 17 7/32 per cent.

The pound gained 1.45 cents to $2.43 but its largest recent rises have been against the main Continental currencies.

Sterling yesterday closed at DM 4.53¾, against DM 4.45¾ on Friday, and at FFr 10.43¼, against FFr 10.27½. There has been no sign of any significant official intervention to check the rise.

The renewed strength of sterling has been matched by a revival in the dollar against most currencies apart from the pound, also partly because of high interest rates.

The dollar's trade-weighted index, as calculated by the Bank of England yesterday, rose 0.3 points to 84.2.

Stewart Fleming writes from Frankfurt: The Deutschemark has recently fallen sharply against the dollar, last night closing at DM 1.8640 compared with DM 1.8040 a week ago. Bundesbank intervention was reported yesterday.

Several factors are cited to explain the weakness of the D-mark including last week's remark by Herr Karl Otto Poehl, Bundesbank president. He said the West German current account deficit next year could still be DM 20bn after the expected DM 30bn in 1980. There are also fears that interest rate differentials with the U.S. could widen further.

Isle of Grain unions accept TUC formula

BY PHILIP BASSETT, LABOUR STAFF

THE THREE unions facing suspension from the Trades Union Congress over the Isle of Grain power station dispute yesterday agreed to accept the Congress's formula for ending the dispute thereby averting the risk of a damaging split in TUC ranks.

While the prospect of the most serious division in the TUC since the deep disagreements over the Conservatives' Industrial Relations Act in the early 1970s has been avoided, the acceptance of the formula by the three unions still leaves unanswered a number of crucial questions about the construction work at the Grain site itself.

The engineering and construction sections of the Amalgamated Union of Engineering Workers, and the Electrical and Plumbing Trades Union, faced suspension at a meeting tomorrow of the TUC general council for failing to comply with the TUC's advice on ending the Grain dispute.

Suspension of the three unions could have been a major embarrassment to the TUC at a time when TUC leaders feel a united front ought to be presented to combat the Governments economic and social policies.

The isolation of the moderate AUEW and EPTU could also, it was feared, have undercut the TUC's claim to be representative of organised workers and could have led to the establishment of an alternative trade union power base.

In more immediately practical terms suspension of the three unions could have led to a considerable amount of industrial disruption. The unions would have lost the protection of the TUC's Bridlington rules on union demarcation, which would have left their members open to poaching by other TUC unions.

The threat of this was strong enough to have persuaded the construction workers to accept the formula already if there was no other way of avoiding suspension.

In a last-ditch attempt to avoid suspension, the executives of the three unions held a meeting yesterday at which Mr. Len Murray, TUC general secretary, said the TUC's advice would allow the 57 laggers from the three unions who replaced Grain laggers represented by the General and Municipal Workers' Union to continue on the Grain site, for the time being. Negotiations would then begin for their removal.

Some officials of the three unions saw this as a "definite shift" and a "substantial qualification" on the TUC's part. But Mr. Murray stressed after the meeting that the TUC's formula remained unchanged.

While welcoming the unions' acceptance of the TUC's advice, he said: "The impression appears to have been created that the TUC's formula has been modified. This is not so."

He said the unions had accepted the advice as a whole, and that he expected to receive letters from all three unions today confirming that.

Mr. Murray clarified the advice to the unions, which asked for this to be put in writing. Mr. Murray's letter, while saying the replacement laggers should continue work at the site, clearly stated: "The intention of the formula is that the lagging work on the Isle of Grain should be undertaken by GMWU laggers."

Mr. Murray consulted Mr. David Basnett, GMWU general secretary, on his statement

While Mr. Terry Duffy, AUEW president, denied the three unions had climbed down from their position, all three in accepting the formula have accepted that the lagging work at Grain should be carried out by GMWU members.

But while this acceptance has been secured, the GMWU's insistence that the replacement laggers should leave the site has not been met.

Talks will be held, possibly this week, involving all the unions, the site contracting companies, and the site's client, the Central Electricity Generating Board, to try to secure the CEGB's acceptance of the TUC's formula.

But is was not clear last night whether the CEGB would accept the formula, now it has finally been agreed by all the unions concerned. The CEGB has been less than enthusiastic about accepting it, partly because work on the site using the replacement laggers has been proceeding satisfactorily.

Mr. Frank Cottam, GMWU national officer with responsibility for Grain, welcomed the unions' decision as a "common sense" solution to the inter-union dispute. But he was convinced that GMWU laggers would still not work with the replacement workers.

£ in New York

—	Oct. 17	previous
Spot	$2.4065-4080	$2.4185-4195
1 month	0.60-0.55 dis	0.81-0.76 dis
3 months	1.53-1.48 dis	1.69-1.64 dis
12 months	2.65-2.50 dis	3.00-2.85 dis

For latest Share Index 'phone 01-246 8026

Berne is renewing its 19-year struggle against foreigners buying property, writes **John Wicks** in Zurich

The battle to keep Switzerland for the Swiss

THE Swiss Government has been trying to slow down sales of property to foreigners for nearly 20 years. Its attempts have hardly proved successful. Property valued at SwFr 11.31bn (£2.89bn) was sold to foreigners between 1961 and 1979, and in each of the past three years, such sales have set new records.

Opponents of property sales to foreigners have long condemned the *Ausverkauf der Heimat*—"selling off the home." The growing foreign presence in Switzerland, 14 per cent of whose population are aliens, has its political implications for the federal Government in Berne, which is also concerned about the effect on already high land prices and the over-expansion of the resorts.

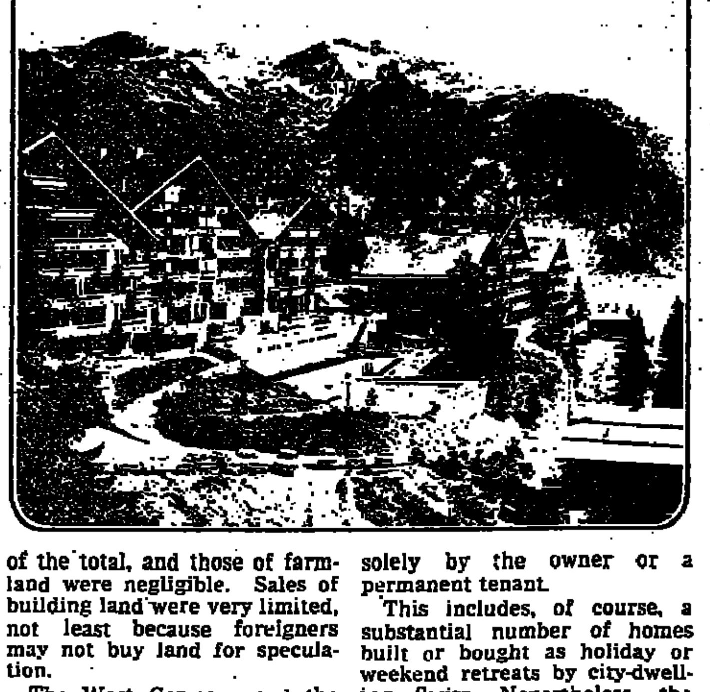
Only between mid-1972 and early 1974 were anything like real sanctions imposed on property sales to foreigners, as part of the comprehensive Treasury programme to keep hot money away from the Swiss franc.

Otherwise, an application and grant system has been in force, generally referred to as "Lex von Moos" and "Lex Furgler" after former Justice Ministers. Supplementary rules introduced in 1974 cover the resorts.

Applications from non-residents to buy property have been granted almost automatically. Of the 51,866 applications in 1961 to 1979, only 2,620 were rejected, and foreign buyers have been using the services of local estate agents and trustee companies to try to ensure their applications are not refused.

The cantons frequently see the restrictions on property sales as a direct blow to their interests. Their traditional misgivings on matters affecting sovereign rights, also contribute to the basic weakness of the system.

Most transactions affect areas largely or wholly dependent on tourism. Since the Lex von Moos was introduced, over 60 per cent of sales, by value, have been in the resort cantons of Valais, Grisons, Ticino and Vaud, and a further 15 per cent in cosmopolitan Geneva.



Despite the publicity given to such luxurious foreign-owned properties as the late Shah of Iran's Villa Suvretta in St. Moritz, or the mansions around Lake Leman, most business today concerns the sale of flats. These accounted for SwFr 880m of all application grants last year, over 55 per cent of the SwFr 1.58bn total. A further SwFr 362.7m was accounted for by houses. Some of these sales were to foreigners actually living in Switzerland and buying a new home, but most were for holiday homes. Sales of commercial premises last year were less than 10 per cent of the total, and those of farmland were negligible. Sales of building land were very limited, not least because foreigners may not buy land for speculation.

The West Germans and the Dutch are the big buyers of holiday homes, a large and growing part of the property market. Property owners play an important role in Swiss tourism—an estimated 270,000 beds in Switzerland's holiday accommodation total are in holiday houses and flats used solely by the owner or a permanent tenant.

This includes, of course, a substantial number of homes built or bought as holiday or weekend retreats by city-dwelling Swiss. Nevertheless, the large grants of ownership rights in resorts to foreigners shows the importance of outside demand in turning idyllic Alpine villages into built-up areas. At the Grison resort of Davos, for example, whose population at the last census (in 1970) was 10,238, 267 flats were built in 1979 and building permission was given for 417 more; 239 applications for foreign-property permits were granted in that year.

The boom in the tourist cantons led the Government to tighten the special resort regulations last July. This aimed specifically at communities which had granted a total number of permits since 1961 exceeding "one-twentieth of the population . . . plus 10 for every 100,000 annual bed nights," and where foreigners own over 10 per cent of the surface and taxable value of a given building zone. A minimum guarantee of 50 permits was allowed for each resort, however, and some other exceptions were made.

The Government was counting on a time lag before the tighter regulations took effect. The actual results now appear to be disappointing, and the cantons have been sent a draft revision of the regulations for their comments by the end of this month. The Federal authorities would like their rules to have sharper teeth when they come up for renewal at the start of 1981.

They want to halve the minimum guarantee for each resort "with substantial foreign ownership" to 25 permits, and make a 15 per cent national reduction in "exceptional" permits for holiday accommodation. But this latter cut is modified, as the authorities say they would pay particular attention to the needs of the traditional tourist cantons. The regulations would apply to all pending applications, to avoid a further time lag.

At the same time, cantons and other interested parties have until the end of next month to consider Ministry of Justice recommendations for tightening the overall Lex Furgler decree when it expires in 1982. This draft would lay down a national quota for property sales to foreigners, to be fixed by the Federal Council every two years, and broken down into individual shares for the cantons. It would also be made harder (exactly how, is not clear) to buy holiday apartments and to dodge restrictions by using Swiss intermediaries.

The tourist cantons are hardly likely to be very happy with these proposals. Land sales and resort development have brought a great deal of money to traditionally poor mountain regions. In the Valais and the Ticino, private chalets and flats contain probably a quarter of the total number of tourist beds. It remains to be seen to what extent they will oppose the new drafts or at least build in suitable safeguards to protect their own interests.

Communists urged to join Poland's independent unions

BY CHRISTOPHER BOBINSKI IN WARSAW

POLISH COMMUNIST members have been urged to join the country's new independent unions by Mr. Henryk Szablak, a senior official in the powerful Warsaw party organisation.

Such a policy, which could mark the beginnings of a move to influence the independent unions directly, goes further than the official party line so far which has been that the authorities will work with the new unions.

Mr. Szablak's statement comes in a report of the party executive in Warsaw and thus reflects the local leadership's official view.

He said: "Party members should actively work to set up the new union structures and should direct union activities so that they are in line with the agreements signed between the Government and workers in the summer, in the interest of the working people and the aims of Socialist construction in Poland."

Meanwhile, delegates representing Solidarity, the country's largest independent union, met yesterday in the mining town of Jastrzebie in southern Poland, to discuss policy in the face of the authority's continued failure to register it.

Mr. Stanislaw Pawela, head of the Warsaw District Court, which is to register the union, has said publicly that the hearing will be held this week. The main problem, he said, was that Solidarity's statute does not contain a clause recognising the leading role of the party in the state. Also, the right to strike should be defined by the trade union law, which is being drawn up at the moment, and not by union statutes.

Soares made scapegoat for Socialists' decline

BY DIANA SMITH IN LISBON

LATENT TENSIONS in the Portuguese Socialist party have emerged with the announcement that Sr. Mario Soares, the party secretary, has suspended himself from his functions during the presidential election campaign which ends on December 7.

Sr. Soares, standing with his party is known to have been undermined by the Socialists' failure to win more than 28 per cent of the vote in the last two general elections. After struggling to keep the Socialists in power between 1976, when they formed the first post-revolution constitutional government, and 1978, when President Antonio Ramalho Eanes dismissed him as the Prime Minister, Portugal's most prominent Socialist appears to have been made a scapegoat for the party's declining popularity.

Last week, the President delivered a further blow to Sr. Soares' prestige. General Eanes, in a calculated attempt to persuade conservative voters to return him to office in December, marked his distance from the Socialists as a whole and Sr. Soares in particular. He reminded the nation that he had dismissed Sr. Soares in 1978 for failure to comply with his "contract."

The President's remarks apparently moved Sr. Soares to try to discourage his party from backing General Eanes in the presidential election. During a 20-hour meeting of the party leadership over the weekend, however, Sr. Soares was outweighed by those who see Gen. Eanes as the only acceptable candidate. He was allowed, therefore, to step down from his position as secretary-general, leaving the way clear for the Socialists to back President Eanes overtly.

In principle, Sr. Soares, absence from the Socialist leadership is temporary. However, a parmanent change of secretary-general would not be unacceptable to Socialists who feel that, if the party is to win back popular support it must present an image free from memories of Sr. Soares' valiant but largely counterproductive struggle to stay in government. His attempts to form alliances with groups to the right or left of the Socialists led to damaging delays in urgently-needed legislation and, finally, to Sr. Soares' dismissal.

Sr. Victor Constancio, one of Portugal's brightest young economists, and former Governor of the Bank of Portugal, Minister of Finance and head of the team negotiating EEC entry, has been mentioned frequently as a possible successor.

Rocard candidacy casts party into confusion

BY ROBERT MAUTHNER IN PARIS

THE ANNOUNCEMENT by M. Michel Rocard, the 50-year-old leader of the French Socialist Party's right-wing, that he would be seeking the nomination as his party's official candidate in next April's Presidential election, has thrown the Socialists into confusion.

M. Francois Mitterrand, the party leader and representative of the majority which favours an alliance with the Communists, has said he would clarify his position by the end of this week. In spite of the strong support which he can undoubtedly muster within the party, nobody yet knows whether M. Mitterrand—an unsuccessful candidate in two previous Presidential elections—will have a last shot at the highest office in the land.

M. Rocard: will he honour his pledge?

Nor is it clear what M. Rocard would do if M. Mitterrand decided to run and won the nomination at the extraordinary congress of the party due to take place on January 24, 1981. M. Rocard gave an undertaking at the party congress in Metz last year that he would not run against M. Mitterrand if the party leader decided to stand.

But since then M. Mitterrand has publicly released M. Rocard from his promise and it remains to be seen whether he will honour his original pledge.

The militants, too, will have a hard time making up their minds between the two potential candidates, since they represent conflicting policies. If ideology were all that counted, M. Mitterrand, the champion of the Union of the Left, would doubtless win the day, in spite of the sorry state of the Socialists' relations with the Communists. But M. Rocard's biggest ace is that his popular support in the country is much greater than that of M. Mitterrand.

According to the latest public opinion poll, conducted earlier this month, M. Rocard would win 49 per cent of the total vote against 51 per cent for President Giscard d'Estaing, if the two men were left to fight it out in the final ballot of the Presidential election. If M. Mitterrand were the official Socialist standard-bearer in a straight duel with M. Giscard d'Estaing, the Socialist leader would obtain no more than 40 per cent of the votes and would hand the President a runaway victory.

M. Rocard is therefore the only potential Socialist candidate who could hope to win over floating centrist voters and discontented Gaullists. But it is almost certain that the Communists, who abhor M. Rocard's particular brand of social democracy, would refuse to swing their votes behind him in the final ballot.

Italy credit squeeze

THE BANK of Italy will stick to its tight monetary policies over the coming months, Sig. Carlo Ciampi, the bank's governor, said in Milan yesterday, Reuter reports. But some relaxation could be possible if the new Government of Sig. Arnaldo Forlani took non-monetary measures to cut inflation and boost exports, he indicated in a speech to local bankers.

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W. German Ministers urge EEC farm cost limits

BY JONATHAN CARR IN BONN

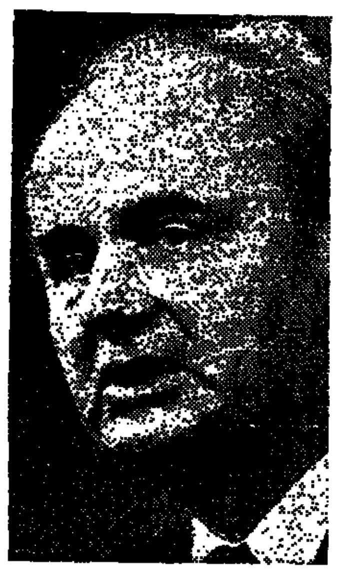
TOUGH PROPOSALS to limit the spiralling cost of the European Community's comon agriculture policy (CAP) are being urged by a high-level working group of West Germany's ruling Social Democrat Party (SPD).

Broadly, the group, which includes several Cabinet Ministers, aims to bring market forces more strongly into play in the farm sector, thus eliminating chronic surplus production.

One key proposal is that limits be set on the extent to which the EEC Commission has to purchase produce from farmers at a guaranteed price, a commitment which has brought growing mountains of butter and milk powder to Community warehouses.

Another proposal is that EEC Farm Ministers must act in future only within financial limits laid down in advance by Finance and Foreign Ministers. If new measures involving farm expenditure became essential. then they would have to be financed by savings elsewhere.

Many of the working group's ideas on changes in the CAP are not new, and they have yet t be approved by the party presidium, let alone by the junior partner in the cialition, the Liberal Free Democracy Party (FDP).



Herr Hans Matthoefer

Herr Josef Ertl, the FDP Farm Minister, is unlikely to see sevaral of the suggestions as an attack on the very principles of the CAP—and his views would probably be matched by those of France.

However, there is now greater pressure for changes in EEC farm policy than ever before in both coalition parties. The FDP party conference earlier this year passed a resolution demanding reform, despite the intervention of Herr Ertl, who feels that if European policy is undermined then other key elements of the Community will collapse too.

Among members of the SPD group are Herr Hans Matthoefer, the Fnance Minister, Herr Herbert Ehrenberg, the Labour Minister, and Herr Klaus von Dohnanyi, the Minister of State at the Foreign Office.

The group was led by Herr Hans Apel, the Defence Minister. At first sight, the choice seems surprising, but Herr Apel is known to have taken an increasing interest in the CAP since a recent visit to Australia and New Zealand. He feels that European farm policy in its present form is partly undermining the economies of those two countries, and hence indirectly their efforts on behalf of Western defence.

Dutch protest ends

THE ORGANISERS of the largest demonstration against nuclear energy ever staged in the Netherlands decided yesterday to call off their blockade of the experimental power station at Dodewaard, near Nijmegen, after pouring rain and cold winds thinned the numbers of protesters, Charles Batchelor writes from Amsterdam.

E. German move discourages visitors

By Leslie Colitt in Berlin

THE NUMBER of West Berliners visiting East Berlin and East Germany fell by 58 per cent last week. The week before, East Germany quadrupled the amount of Deutsche Marks which Westerners must exchange into East German Marks to visit East Berlin and doubled the amount for East Germany.

The move created one of the most serious impasses in East-West German relations since they were established in the early 1970s.

A West Berlin official said the fall in visitors to the East had been especially steep among retired people and children who previously did not have to pay.

Herr Guenter Gaus, West Germany's permanent representative in East Berlin, has been instructed to express Bonn's displeasure with another East German action—the banning of Western correspondents from covering a religious event last week in East Germany.

This is the latest in a series of East German measures restricting the activities of East Berlin-based Western journalists, mainly from West Germany. The measures have included a ban on interviews with East Germans without official permission.

Herr Gaus is to be replaced shortly, a decision which is felt to have reduced the effectiveness of the West German official presence in East Berlin at a critical period in relations.

Some diplomats feel East Germany may be tempted to refuse accreditation to a new West German representative, widely tipped to be Herr Klaus Boelling, the chief government spokesman, until West Germany gives him ambassadorial rank.

Imports cut hits Yugoslav economy

BY OUR BELGRADE CORRESPONDENT

THE YUGOSLAV economy's poor performance is giving rise to concern in Belgrade, where attempts to reduce the balance of payments deficit has forced the Government to cut imports sharply. Imports of raw materials and intermediate goods have been reduced so much that some factories are reported to be threatend with shutdown while others are working at only a fraction of capacity.

The Yugoslav Government was forced to cut imports after last year's \$4bn balance of payments deficit. Even with the restrictions, the deficit is expected to be around \$2bn this year.

The cutbacks are bound to mean a sharp fall in the growth of industrial production which last year reached 8 per cent. For the first eight months of this year the country's industrial production grew by only 3.9 per cent and the rest of the year is likely to be even more sluggish as companies exhaust last year's accumulated supplies.

The Government had planned a 5 per cent growth rate for the year but would be happy with only 4 per cent, officials say. This would allow it to kep within its target for the balance of payments.

Following the unrest in Poland, the Government is anxious to stave off any dissatisfaction within its own workforce, whose real incomes are being eroded by the quickening rate of inflation. The annual incomes policy had provided for increases in workers' wages linked to increases in the companies' output. But the economic slowdown has put them well behind the increases earned last year.

The workers have also been affected by shortages of such essentials as meat, detergents and coffee throughout the country, which has fuelled the dissatisfaction.

Further worries for the Belgrade administration have been caused by the Middle East war, which threatens much of the country's oil supplies. Yugoslavia imports two-thirds of its 16m tonnes of crude oil annually, of which 65 per cent comes from Iraq. The second largest supplier is the USSR.

Worker-bureaucrat conflicts worry party

ZAGREB — A Communist party leader gave warning yesterday that further economic and social deterioration in the position of the country's workers could lead to serious disturbances in Yugoslavia's system of self-management.

Mr. Stevan Doronjski, outgoing president of the party presidium, said conflicts of interest between bureaucrats and workers also posed problems in implementing the system of decentralised trade unions. He urged officials to pay more attention to the decisions of worker councils in formulating economic policy.

Mr. Doronjski was addressing the party's central committee on completing a one-year term as president of the presidium. He said the issues concerned fundamental ideological and political problems in the development of Yugoslav society. "The vital interests of the worker class are in conflict with the bureaucratic-technocratic interests." It was up to the party to engage all the creative potential of society to solve the problems.

Yugoslav's decentralised system of trade unions is based in theory on grass-root decisions with worker councils empowered to review all management rulings. However, technocrats have often usurped the workers' rights, and imposed their own decisions.

AP

Prague and Budapest anxious about Poland

BY PAUL LENDVAI IN VIENNA

AMID GROWING concern in Eastern Europe at the impact of the Polish crisis, Romanian and Hungarian party leaders took startlingly different attitudes to the events in statements at the weekend.

President Nicolae Ceausescu, addressing last week's plenary meeting of the Romanian Communist Party's central committee, called on the Polish leaders to take firm action "resolutely rebuffing" anti-Socialist forces. He strongly criticised Polish Communist leaders for past leniency in dealing with "capitalist forms in agriculture" and "serious violations of Socialist ethics." Had the leadership taken firm action against the "anti-Socialist elements," he said, the upheaval would not have occurred.

At the weekend, too, the Romanian Parliament passed legislation which will force leading party and state officials to declare their private assets, ranging from houses to works of art. Another bill tightens the regulation that Romanian citizens may own only one house or flat. It is widely believed that the blunt statements by the President and the new legisaltion show Romanian leaders' concern about ferment in the country similar to that in Poland.

In contrast, the central committee of the Hungarian Communist Party has refrained from criticism of Poland, and merely said that the Hungarians were following events with "great attention and a feeling of responsibility." Once again, the party stressed Hungary's interest, as a partner and an ally, that the situation in Poland should be "stable."

Instead, Hungary is trying to stave off and possible domestic trouble by improving the system of consultation.

In an interview with the central party paper, Mr. Sandor Gaspar, the secretary general of the Hungarian TUC and a member of the Politburo, admitted that, in the past, there had been "stoppages in some Hungarian plants — or, if you wish, strikes lasting several hours." These were due to what he called the incorrect attitude of management and inaction by local party or union bodies. He also added that, though the right to strike had never been legally enacted, the law did not ban strikes. Mr. Gaspar added that the unions were so powerful that "everything can be settled without strikes."

Though Mr. Gaspar rejected the idea of "free and independent trades unions," he did promise more publicity about the activities of the unions and an enlargement of the role of the shop stewards,

Rallis seeks confidence vote on NATO

By Victor Walker in Athens

GREECE'S TWO major opposition parties will strongly oppose the Government in a vote of confidence on the country's return to NATO's military wing on Friday. But the ruling New Democracy Party, which commands 177 of the 300 seats in Parliament, should have no difficulty in winning.

The decision to submit the issue to Parliament was announced late on Sunday night by Mr. George Rallis, the Prime Minister, in replying to an attack by Mr. Andreas Papandreou, the leader of the Panhellenic Socialist Movement (PASOK), whose party and the Greek Communist Party want Greece completely out of NATO.

The Prime Minister's statement was the first official word that Greece had accepted proposals brought back on Friday night by the NATO Supreme Commander, Gen. Bernard Rogers, after intensive consultations in Naples and Ankara with Greek and Turkish military leaders. Greece withdrew from the military wing in 1974 after the Turkish invasion of Cyprus.

The Greek Government was apparently waiting for the proposals to be accepted by the NATO military committee in Brussels, of which Turkey is a member and where decisions must be unanimous.

Phillips abandons Irish offshore well

BY SUE CAMERON

THE U.S.-based Phillips Petroleum has failed to find oil in the Porcupine Basin off the west coast of Ireland. Last month a consortium headed by British Petroleum confirmed the discovery of an important offshore oilfield in the same area.

Phillips, operator for a group of oil interests, said it had completed the drilling of an exploration well on block 35/15, some 100 miles off the Shannon estuary. It had encountered "only very minor shows of hydrocarbons in cuttings while drilling" and a production test had proved negative. The well is being plugged and abandoned.

The group has not given up all hope of finding oil in the area, however. It is planning to drill two more exploration wells off the west coast of Ireland and intends to start work on the first of them next spring.

Hopes of discovering onshore gas in Ireland and in Northern Ireland have been raised with the announcement that the Dublin Government has issued an exclusive prospecting licence to a new consortium of companies. They include the Irish-based Aran Energy which has a 16.67 per cent interest in the BP led consortium that found oil in the Porcupine Basin last month. Other members are the U.S.-based Marinex Petroleum, which will act as operator and Mr. W. W. Wakefield. The licence granted is for an area of the North-West Carboniferous Basin, sited mainly in counties Cavan Leitrim and Sligo.

N. Sea air traffic warning

BY FAY GJESTER IN OSLO

HELICOPTER traffic to and from North Sea oil installations is a danger to air traffic in the area, according to a Norwegian air force officer. Captain Tor Olsen said in an interview yesterday that a powerful radar station should be installed on one of the North Sea platforms to co-ordinate air movements with the helicopters relying on visual sightings at present, it was amazing that there had not been any collisions.

Captain Olsen said the volume of traffic was enormous. "Countless helicopters take passengers to and from land bases. In addition, you have the helicopter shuttle service between various North Sea platforms

The civil aviation authorities and the Ministry of Defence should hold talks to solve the problem.

Captain Olsen is deputy commander of a Norwegian air force squadron which flies maritime reconnaissance missions.

Chinese elect local leaders to check power of Peking

BY COLINA MACDOUGALL

MR. LI GAIGUO, a 32-year-old production team leader, was last week elected deputy to a county people's congress in Lintong, in Shaanxi province, one of 429 representatives elected from a list of candidates eight times that number.

This was just one of the steady stream of county-level elections Peking is holding throughout the country as part of a cautious reform of government. It is the first time any form of direct election has taken place above the commune level.

In the local election at Changsha, the capital of Hunan province, demonstrations broke out and a hunger strike was organised against local officials. One candidate, whose wife is American, had said he was not a Marxist but a "scientific socialist," and the officials had tried to add candidates to the list of nominations to draw votes away from him.

The report from Changsha suggests that, so far, these elections are genuinely regarded as more than a formality. The concept of electoral democracy is quite unfamiliar in China, but the post-Mao Tse-tung leadership has realised the importance of having a check on rule by a small group. It is reinstating the division between party and government functions which operated in the 1950s and early 1960s, and is cautiously trying to broaden the base of local administration.

The new electoral law adopted in June last year at the National People's Congress (China's Parliament) provided for direct elections by secret ballot at county level. These are expected to be completed this winter and next spring so that deputies to the National congress may be chosen from them in the following year. An important provision of the new law was that the county delegates should set up a standing committee so that they would have representatives continually in session. On paper, the county-level congress and its standing committee have an impressive list of powers, to supervise local officials and to apply central policy.

The influential party journal Red Flag has forcefully criticised leading comrades who do not follow the electoral law but "want the masses to conduct elections in conformity with their opinions." Some, Red Flag said, had even casually disqualified the candidates nominated by the masses, denied recognition to those who were legally elected, or boycotted the elections.

Party organisations recommending a list of candidates must seek the consent of the majority of voters and represensatives before it becomes valid, Red Flag declared. If these candidates are not elected, the party must accept the result.

In Jilin province, the local paper has revealed numerous illegal practices. For example, some local party committees had paid only perfunctory attention to other organisations which had the legal right to be consulted. They had drawn up their lists paying no attention to the law that the list should exceed the number of posts. They had, thereby, eliminated choice.

How far the local party committees will allow their powers to be cut, without protesting to the more traditional party leaders in Peking, remains to be seen. These may already have doubts about some aspects of China's modernisation policy.

Bombing embarrasses Marcos

BY OUR MANILA CORRESPONDENT

THE PHILIPPINES Government of President Ferdinand Marcos was seriously embarrassed yesterday when 5,000 delegates to a U.S. convention in the capital, Manila, decided to cancel their meetings following a bomb explosion in the convention hall on Sunday night. The Government has ordered the arrest of 29 opponents of the regime.

The blast occurred in the presence of President Marcos at opening ceremonies for the 50th annual meeting of the American Society of Travel Agents. Eighteen people were slightly hurt.

Early yesterday officials of the society decided to cancel the convention on the grounds that the security situation made it "less than prudent" to continue.

The abrupt cancellation came as a surprise. Previously the society had made a show of sticking by its Manila venue in the face of warnings from a dissident organisation calling itself the April 6 Movement.

Previous bomb incidents, apparently intended chiefly for propaganda effect, have been attributed to the movement. All their attacks have been directed at tourist organisations or timed to coincide with tourist conventions, probably as a way of hitting the country's vital income from tourism and of attracting international attention.

Many see the bombings as an expression of opposition frustration over President Marcos's firm grip on power and his continuing commitment to martial law.

President Marcos yesterday signed arrest warrants for 29 people associated with opposition groups. They include exiled opposition leaders such as former Senators Benigno Aquino and Raul Manglapus and prominent resident opponents such as former Senator Jovi Salonga.

West Bank mayors' appeal fails

BY DAVID LENNON IN TEL AVIV

AN APPEAL by two prominent Palestinian mayors against their deportation from the Israeli occupied West Bank of the Jordan five months ago has been rejected by the military government's appeal committee. The mayors now intend to appeal for a second time to Israel's Supreme Court.

General Benjamin Ben-Beliezer, the West Bank military Governor, yesterday informed the deportees' lawyer, Mrs. Selicia Langer, that he had accepted the recommendation of the appeal committee not to permit the mayors to return home.

The mayors, Mr. Fahd Kawasmeh of Hebron and Mr. Mohammed Milhem of Halhoul, were deported on May 2. A few hours after six Jewish settlers had been killed in a Palestinian ambush in Hebron. Israel charged that the mayors had incited the population and thus bore responsibility for the ambush.

The two men were permitted to cross from Jordan to the West Bank a week ago to appear in person before the military appeal committee. They were immediately placed under detention at the Allenby Bridge passenger terminal, and the appeals committee held its hearing there. Both men denied charges of incitement and spoke in favour of peaceful co-existence between Jews and Palestinians.

Mrs. Langer said yesterday that she intended to seek a Supreme Court injunction barring the expulsion while she prepares a new appeal to the court against the deportations. During a previous hearing in August the Supreme Court refused to cancel the deportation orders

The Mayor of Bethlehem, Mr. Eliaf Freij, yesterday described the military government's decision as "an infringement of the human rights of the two mayors."

MPs to decide on hostages 'in a few days'

BY OUR FOREIGN STAFF

THERE IS only a remote chance that the 52 U.S. diplomats held hostage in Tehran since last November will be put on trial, the speaker of the Iranian Parliament, Hojatoleslam - Hashemi - Rafsanjani, said yesterday.

He said the Parliament, given responsibility for the fate of the hostages by Ayatollah Khomeini, will decide on the conditions for their release. in the "next two or three days." He expected Iranian demands to be for a return of the Shah's wealth, cancellation of U.S. claims against Iran, release of frozen funds and U.S. guarantees of non-interference in Iran.

A strong faction in the Iranian Parliament has demanded in the past that at least some of the hostages should face trial. Suspicions that the Iraqi attack on Iran was encouraged by the U.S. has caused some deputies to call for a postponement of any decision on the hostages' fate. "As long as there is the question of war, the issue of the hostages is not important," one deputy said yesterday.

The Iranian leadership has denied that there is any possibility of the hostages being released in return for U.S.-made spare parts for Iranian military equipment.

On the battlefront both sides claimed yesterday to have inflicted heavy casualties on the other. Iraq said that its armoured columns had consolidated an "air-tight siege" of Abadan and Khorramshahr. The Iranian high command said house-to-house fighting was continuing and its navy was evacuating Iranian wounded "with difficulty."

The Islamic Conference's secretary-general, Mr. Habib Chatti, visiting Iran as part of his peace mission, was taken on Sunday to the oil province of Khuzestan where most of the fighting is taking place. Iran has continually asked for mediators to condemn the Iraqi invasion.

Mr. Chatti was quoted by Tehran radio yesterday as proposing, in talks with Ayatollah Khomeini, a plan for heads of Islamic countries to seek an end to the war. But Mr. Chatti told reporters there was no plan. He said he had given the Ayatollah a message from Islamic Foreign Ministers calling for negotiations between Iran and Iraq.

The Ayatollah said earlier that total mobilisation of all citizens might be declared to wage a holy war against Iraq. He was said to have indicated to Mr. Chatti that he wanted President Saddam Hussein out of power in Baghdad as one Iranian condition for ending the 29-day-old conflict. "His people should get the freedom to decide their own destiny," the Ayatollah said, according to Tehran radio.

Iran's Defence Council announced that it had changed the name of Khorramshahr—Fertile City in Farsi—to Khuninshahr, which means "City of Blood." The council, which took charge of the conduct of the war last week, said the change of name was a tribute to the "epic resistance" put up by Revolutionary Guards against the Iraqi invaders.

Meanwhile, Baghdad has denied that is is receiving any additional military supplies from the Soviet Union through the Jordanian port of Aqaba.

Delhi faces new crisis over Assam's 'foreigners'

BY K. K. SHARMA IN NEW DELHI

THE Indian Government is facing further economic disruption and social tensions in Assam following the failure of talks with student representatives from the oil-rich state over the deportation of "foreigners."

After three rounds of talks which have yielded no agreement on the deportation of mainly Bengali non-Assamese from the north-eastern state, the students have announced that they will resume the agitation which paralysed economic activity in Assam for nearly a year.

The students have allowed Government offices and industrial establishments to function normally over the past two months while talks were in progress, but have refused to allow any crude oil to be exported from Assam. Oil is their main weapon and their blockage of oil production and distribution has left three Indian refineries closed for the past nine months.

Assam produces about 3.5m tonnes of crude a year and the state's production is needed urgently because of disruption of supplies from Iraq and Iran which together supplied 12m tonnes anually or about two thirds of India's imports.

The students' leaders are to meet at Gauhati, the Assamese capital, later this week to decide what form their resumed agitation should take. The previous campaign over 10 months took the form of a civil disobedience movement which paralysed all economic and official activity in Assam. Later the trouble spread to all seven north-easten states.

The talks between the students and the Government broke down over the date of entry of "foreigners." The students want all non-Aassamese who entered the state from 1951 to be sent out. The Government thinks this is impracticable and only wants to deport "foreigners" who settled in Assam after 1971.

Although the Government wants further talks and has announced unilateral measures to identify "foreigners" who entered after 1971, the students have announced that the talks have failed and that their agitation will be resumed.

The auhority may adopt a hard line and use the recently-promulgated Naional Security Ordinance, which gives it powers of preventive detention without trial. But during the earlier agitation stern official measures were counter-productive and led to an increase of popular support for the students.

India seeks Soviet aid for energy development

BY OUR NEW DELHI CORRESPONDENT

INDIA proposes to seek large-scale Soviet assistance, particularly in the energy sector, during the sixth plan period, 1980-85. The aid is required for the setting up of super-thermal power plants, the laying of high voltage transmission lines and also for coal mining.

In a 15-year perspective India has already drawn up, power generation is to be stepped up from the present capacity of 30,000 MW to 100,000 MW with an investment of some Rs700bn (£38bn).

A Soviet team visited India recently for discussions on long-term economic planning. As a result a delegation headed by Mr. N. D. Tiwari, India's Minister for Planning, is leaving for Moscow today at the invitation of the Soviet planning organisation, Gosplan.

AMERICAN NEWS

Brown warns arms race may cost $100bn

BY DAVID BUCHAN IN WASHINGTON

THE CARTER Administration yesterday swiftly responded to Mr. Ronald Reagan's contention that the way to halt the Soviet nuclear arms build-up is to scrap the SALT-II treaty and to begin negotiations for a third SALT pact with more concessions from Moscow.

President Carter said: "It is extraordinarily naive to expect the Soviet Union would meekly accept what we would immediately and totally reject."

His criticism was followed by a speech from Mr. Harold Brown, Defence Secretary, who claimed that if the death of SALT-II presaged a new arms race, it would cost the U.S. "anywhere from $30bn (£12.4bn) to $100bn more over *the next decade just to stay even*" with the Soviet Union.

The dormant debate over the SALT-II treaty—signed by Presidents Carter and Leonid Brezhnev in June 1979, but not ratified by the U.S. Senate in reaction to the Soviet invasion of Afghanistan—has suddenly sprung to life in the closing days of the Presidential election campaign.

Mr. Carter has been hammering away at the theme that Mr. Reagan's foreign policy, typified by his opposition to the SALT-II pact, would increase the chances of war. Made aware of the effectiveness of this attack in slipping opinion poll ratings, particularly among women, the Republican bought half an hour of Sunday television air-time to address these fears directly.

"My views have been distorted in what I can only conclude is an effort to scare people through innuendoes and mis-statements of my position," Mr. Reagan told television viewers. He was committed to "peace through strength," he said. "Only if we are strong, will peace be strong."

Mr. Reagan touched on various campaign promises: to continue the "rapid growth" in relations with China—in contrast to his earlier focus on Taiwan—to improve consultation with NATO allies in Europe, *to give a higher* priority with U.S. neighbours in the eastern hemisphere, and to lessen foreign policy making disputes between the State Department and National Security Council.

But the core of his campaign pitch on foreign policy was his view that the Soviet Union must not be allowed to "race ahead" on nuclear arms.

Mr. Reagan, who has advocated considerable U.S. defence spending increases said: "We need to remove their (Russian) incentive to race ahead by making it clear to them that we can and will compete if need be; at the same time we tell them that we prefer to halt this competition and reduce nuclear arsenals by patient negotiation."

However, the Administration is not relenting in its attacks on Mr. Reagan's policy. Mr. Brown said yesterday he could find "absolutely no evidence, or logic, or even hope" that the Russians would accept a nuclear arms pact less in their favour than the *SALT II* treaty.

Supreme Court dismisses anti-trust damages case

BY DAVID LASCELLES IN NEW YORK

THE SUPREME COURT yesterday dismissed a case which industry and the legal profession had widely expected would settle the vexed issue of how damages arising from anti-trust cases should be apportioned. But the question could still be resolved in other cases.

The point at issue is whether defendants in anti-trust cases can demand that damages be shared by all defendants, including those who enter into settlements before the trial had started. The issue is important, since companies can rush to settle before trial and avoid paying heavy court-ordered damages. On the other hand, companies who take their cases to court can end up paying huge damage bills.

The case arose out of a complex anti-trust suit in the corrugated paper business in which more than 36 manufacturers were accused of price-rigging over a period of 18 years. Many of the defendants settled out of court.

But three of them, Westvaco, Packaging Corporation, and Georgia-Pacific, among the largest in the business, filed a petition with the Supreme Court, arguing that the legal principle of "contribution" should apply in anti-trust cases. They subsequently settled their cases out of court, however, which is why the Supreme Court decided yesterday to dismiss the petition.

Two other cases which raise similar issues are pending, and *these could bring clarification,* although the Supreme Court has not yet said whether it will hear them.

DU PONT, the largest U.S. chemical company, reported a *sharp downturn in* third-quarter earnings, including a $9m charge for the termina*tion of fibre manufacture at a* plant in Northern Ireland. Details and other major company *results—Page 34.*

American will head Bermuda monetary body

By Keith Hunt in Hamilton, Bermuda

BERMUDA has for the first time chosen an American to head its Monetary Authority. Mr. Merlin N. Trued takes over as managing director from Mr. Alan Humphryes, who was seconded to the island three years ago from the UK.

The move comes after the Bermuda Government expressed dissatisfaction with the performance of the authority. Mr. Humphryes, whose contract expires in November, said he was ready to *stay on until* next year. But the Government declined his offer.

The *Government said it* was "taking a fresh approach" in turning to the U.S. Mr. Trued is a former economist with the Federal Reserve Bank in New York.

El Salvador violence 'kills 220 in week'

SAN SALVADOR—222 persons have died in political violence last week, the interim Archbishop of San Salvador said on Sunday.

Msgr. Arthuro Rivera Y Damas also said young Salvadoreans *should take advant*age of a Government amnesty offer to guerrillas who would *lay down their arms.* Last week the five-man ruling junta said elections would be held in 1982 and offered the amnesty.

However, killings and bombings continued over the weekend with attacks against businesses and Government offices.

Police said one of about 12 bombs reported damaged a Texas Instruments factory on Sunday.

AP

Chile banishes leader of Christian Democrats

BY MARY HELEN SPOONER IN SANTIAGO

THE CHILEAN Government has prohibited Sr. Andres Zaldivar, Christian Democratic leader and former Finance Minister, from returning to the *country following an interview* published in the Mexican newspaper Uno Mas Uno.

Sr. Zaldivar, on holiday in Jerusalem, has been accused of waging a "systematic campaign designed to denigrate our country abroad" by General Augusto Pinochet's military regime.

Sr. Zaldivar had earlier criticised the September 11 constitutional plebiscite which effectively prolongs Gen. Pinochet's rule for at least eight years, *calling the* vote a fraud and a farce.

The article was apparently based on statements Sr. Zaldivar made in Chile to a Uno Mas Uno correspondent.

Sr. Zaldivar has denied making the statements and Uno Mas Uno has admitted the final version of the article which appeared on October 16 was not the same report filed by its correspondent in Santiago.

The decree banishing Sr. Zaldivar from Chile cites passages from the article, and charges him with conduct "*against* the interior security of the state."

The decree also called on Chileans to reject "the extreme postures which some political leaders are seeking to impose," and noted that Gen. *Pinochet* had called for national unity following the plebiscite.

Opposition leaders in Chile are said to be studying the measure against Sr. Zaldivar, and have not yet reacted publicly.

Colorado's 'lean deal' Democrats under fire

BY JUREK MARTIN IN DENVER, COLORADO

COLORADO IS best known for its Rocky Mountain beauty, not its politics. Yet what happens in this conservative state on November 4 to two of its present Washington representatives could have an impact on the Democratic Party's future which would go way beyond the state borders.

Senator Gary Hart and Congressman Tim Wirth, both first elected in the Democratic wave of 1974, after Watergate, are, perhaps a little self-consciously, leaders in trying to move the Democratic Party down new paths.

These would take it away from the classic liberalism of President Franklin D. Roosevelt, which lived on until the early 1970s, towards a philosophy recognising limits and costs without sacrificing social goals: the "lean deal," rather than the "new deal."

Mr. Hart, many political experts believe, wants to carry his philosophy to the highest plane by running for President in 1984. He is, after all, a serious student of politics—he was Senator George McGovern's campaign manager in 1972 and it is often forgotten that although the Presidential election that year was a debacle, the primary effort was brilliantly conceived and executed.

Mr. Wirth's abilities are often ranked higher, although his ambitions are more modest. He, more than anyone else, was instrumental in getting the House of Representatives to defeat President Jimmy Carter's proposed Energy Mobilisation Board this summer. That is not his only legislative scalp.

Both, however, are fighting *for their political lives in their* state which will, in any case, go overwhelmingly to Mr. *Ronald Reagan in the presiden*tial race. Mr. Wirth's problem is eternal because his district is *very marginal for any* Democrat. Mr. Hart, however, is the victim of the sort of phenomenon which can disrupt the best-laid plans.

What no one could have foreseen was that Mr. Hart, handsome enough to be a sex symbol in his own right, could have run into a different sort of sexual phenomenon—what Mr. Wirth calls "the embattled woman syndrome."

Mrs. Mary Estill Buchanan is a 46-year-old divorced mother of six and Colorado's Secretary of State. By declaring her senatorial ambitions she upset the carefully constructed local Republican applecart. She had to sue her own party to get on to last month's primary ballot. Against all expectations she won.

To the extent that her opinions are well formed, Mrs. Buchanan is a moderate Republican. She supports equal rights for women and the right *to have an abortion.* In her campaign, she criticised Mr. Hart for his votes against 37 *specific items of defence spend*ing—and then turned round and said she probably would have voted the same way on most of them herself.

It may not matter at all what Mrs. Buchanan says or does, but *only how enduring is her image* as a fighting female. Mr. Wirth, for one, is worried it will last *until November 4.*

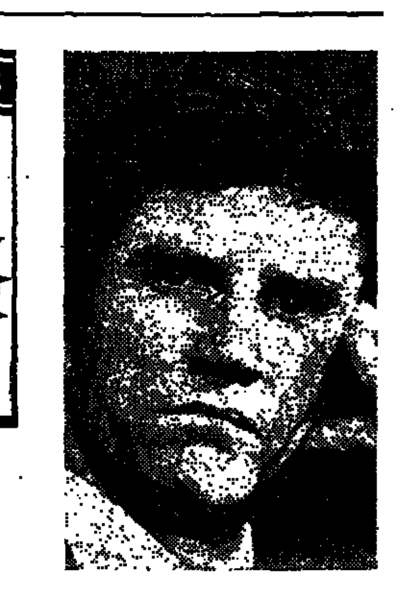
Mr. Hart may have brought some of his problems on his own head. He has worn his national ambitions on his sleeve — it was not exactly tactful, no matter how honest, to be quoted in the Wall Street Journal as wishing that he could tell the people of Colorado to "buzz off" for a while while he contemplated the great national issues.

Beyond this is the very legitimate question of how far a representative can travel beyond his constituents. Colorado is a *parochial state, but Mr. Hart's* interests are national and international.

Thus he has emerged as an acknowledged Senate leader on defence, particularly the Navy. He is a big supporter of buying the Harrier, the British jump jet, for the Marine Corps. He opposes giving the Pentagon a blank cheque, but not selective increases in the defence budget. His accomplishments have elicited praise even from Senator Barry Goldwater, the ancient Republican warhorse.

U.S. ELECTIONS

November 4th



Senator Gary Hart . . . Presidential ambitions for 1984

Mr. Wirth appears the more practical of the two. He admits a fascination with coalition politics *as a substitute for the* political parties' fading power. His success in getting the House to oppose the Energy Mobilisation Board and the influence he wields on the energy and budget committees is testament to his effectiveness.

The Energy Board vote does not connote blind environmentalism. Mr. Wirth argues that conservation, like a barrel of oil, has a price which must be acknowledged and which will not diminish.

But government should not, in his view, be empowered to ride roughshod over local ordinance, as he says it would have under Mr. Carter's Energy Board. But, he argues, it does not make sense to take a meat axe to government, no matter how unpopular it may be.

Neither Mr. Hart nor Mr. *Wirth spends much time in this* campaign defending the present head of government, President Carter. Both content themselves with telling their audiences that Mr. Reagan would be worse.

Mr. Wirth's view of President Carter ("a bright guy surrounded by kids in short pants") is that he is a transitional figure in the evolution of the Democratic Party. His replacement as head of the party, now or in 1984, will be comparable to the change of 1960, when President John Kennedy ushered in change.

If this view is accepted, the *old* liberal guard of the 1960s, led now by Senator Edward Kennedy and Vice-President Walter Mondale, may even be cast as the forces of darkness in the next changeover. And they are vulnerable forces, as Mr. Carter's defeat of Mr. Kennedy this year showed.

That defeat of the party's Prince Hal probably removed the inhibitions of other Democrats of different political colours, if not substance, from challenging for party leadership in the future.

If not Mr. Hart, the would-be leaders are likely to include his old law school classmate, Governor Jerry Brown of California, or Senator Joseph Biden of Delaware or Senator Bill Bradley of New Jersey. But, as the Colorado experience shows, politicians should not run before they know how to walk, lest they slip over the unexpected, like Mrs. Buchanan, or the uncontrollable, like the snowstorm which, Mr. Wirth says, would make him lose if it happened on November 4.

Joint venture casino for Budapest

By Paul Lendvai in Vienna

THE FIRST gambling casinos to be opened in a Warsaw Pact and Comecon member-State will be opened in the Budapest Hilton hotel next year under the terms of a unique joint venture agreement signed in Vienna by Dr. Josef Staribacher, the Austrian Minister of Trade, and Dr. Vilmos Saghy, his Hungarian counterpart.

A joint company, called Casino Budapest Ges.-MBH, has been set up under the 10-year contract with the Hungarian Danubius AE State Hotel Trust holding 51 per cent of the Sch 2.7m (£88,000) basic capital and their Austrian partner, the Oesterreichische Spielbanken the rest.

This is the first time the Austrian company has acquired an interest in a foreign gambling casino. Ironically, the Austro-Hungarian venture will use the West German mark as the official currency for gambling purposes.

The first casino in an Eastern Bloc state was opened in the mid-1960s in already non-aligned and unorthodox Yugoslavia. Bulgaria opened a casino — under a co-operation agreement with a Japanese company — in Sofia a year ago.

The Austrian side disclosed that 45 Hungarian pupils are being trained and tested in a school for croupiers recently set up in Budapest.

THAI ECONOMY

Thirst for oil counters export effort

BY DAVID BUTLER IN BANGKOK

DESPITE AN excellent export effort, Thailand is expected to end the year with an unprecedented $3.0bn (£1.25bn) trade deficit, up 58 per cent over 1979. The total bill for imported crude oil and other petroleum products is expected to be an enormous baht 60bn ($3bn).

Thai consumption of imported oil products increased only 2.8 per cent by volume over 1979. But the OPEC price increase means that the country's oil bill jumped 82 per cent over last year. The $3bn figure represents almost a third of projected total imports, and about 45 per cent of Thailand's total export earnings.

Thailand is at the tail end of a consumption-oriented boom and on the threshold of a smaller, capital-intensive expansion associated with the exploration of major reserves of natural gas in the Gulf of Thailand.

Although the country's growth rate slowed in both 1979 and this year from the 7 per cent a year level that had become routine in the 1960s and 70s, the economy continued to have considerable demand in the industrial, construction and commercial areas. Imports of capital goods this year are projected to be up 21 per cent over 1979. The comparable increase for consumer goods is projected at 20 per cent. Only outlays for raw materials are low, up just 5 per cent over 1979, when producers went on a stockpiling binge.

Exports for 1980 are projected to reach $6.7bn, a 24 per cent increase over 1979. A drop in the volume of rice available for export, resulting from the premature end of the rainy season in late 1979, was almost precisely offset by the rise in world prices. The value of the next five major export commodities—rubber, tapioca products, tin, textiles and maize—all rose by percentages ranging from 9.6 per cent (for maize) to 31.4 per cent (for tin).

But the seventh and eighth most important Thai exports fell off sharply this year. Earnings from sugar dropped by more than 18 per cent despite—or perhaps because of—the high world price. Millers and traders balked at producing white and refined sugar at the low prices set by the Government. Much was stockpiled by major users, hoarded or smuggled out to Malaysia, avoiding official statisticians.

Income from exported canned shrimp was down 21 per cent because of a drop in price compounded by a drop in volume, while the catch was off as a result of the steep rise in the price of diesel fuel and the spread of 200-mile fishing limits.

THAILAND TRADE (1976-80)
(Figures in billions of baht)

	EXPORTS	IMPORTS	TRADE BALANCE
1976	60.80	72.88	−12.08
1977	71.20	94.18	−22.98
1978	83.06	108.90	−25.84
1979	108.18	146.16	−37.98
1980	133.6	199.6	−65.00

(1980 projections from Bank of Thailand)

The direction of Thai trade is basically healthy. While Japan remains Thailand's major partner for both exports and imports, its relative importance in both roles has been declining gradually over the past 10 years. Thailand's most important markets, in order, are Japan, the EEC, the U.S. and Singapore. As of the first quarter of 1980, its major suppliers were Japan, followed by the U.S., Saudi Arabia and the EEC.

Mr. Prateep Sondysuwan, the director of the Governor's office at the Bank of Thailand, said the Government is seeking new markets in the Middle East and in Eastern Europe, as well as within the Association of South-east Asian Nations (ASEAN), the regional grouping that links Thailand with Malaysia, Indonesia, Singapore and the Philippines.

The arrival of natural gas from the Gulf, due to start arriving on shore late next year, will offer only limited relief to Thailand's very serious energy crunch. The country must import capital equipment for long-planned industrial and infrastructure projects, some of them in a "growth zone" along the eastern seaboard associated with the natural gas. It faces continued outlays for civilian aircraft and for military equipment to counter a perceived threat from Vietnam, which has 200,000 troops in neighbouring Kampuchea.

The immediate outlook is for even greater trade deficits, accompanied by massive foreign borrowing. But by the mid-1980s, the exploitation of domestic energy sources, energy conservation, a slowing of capital imports and stepped up export promotion could bring the country's trade back into reasonable balance.

Polish credit line backed by ECGD

By Our World Trade Staff

THE Exports Credits Guarantee Department is backing two lines of credit, for exports of chemicals and artificial fibres to Poland and for exports of mining equipment to Mexico.

The first is a loan of $30m (£12.4m) arranged by Barclays Bank International to Bank Handlowy of Warsaw and the second is a loan of $20m arranged by Lloyds Bank International to Industrial Minera Mexico.

● British Aerospace has won a £3m contract for the construction of a firing range for Rapier anti-aircraft missiles in Brunei.

● Plessey Avionics and Communications has received a £3m order from an unspecified African country for containerised gun sound-ranging systems.

● Hallam Group of Nottingham has won contracts worth £4m for the sale of prefabricated homes, including orders from the Netherlands and Germany.

● ML Engineering (Plymouth) is designing and supplying a modernised signalling system worth £1.25m for the Malaysian railway.

● Rubery Owen, the West Midlands motor components manufacturer, is supplying £400,000 worth of chassis side members to Saab Scania in Sweden and £250,000 worth of axle-cases to Metalurgica Santa Anna in Spain.

Statoil to help China draw up offshore plans

BY FAY GJESTER IN OSLO

STATOIL, THE Norwegian state oil company, is to act as consultant to the Chinese Government, now on the verge of allocating promising exploration concessions in its offshore waters. It will be the first time the company has undertaken this kind of job for a foreign government.

Initially, at any rate, Statoil will not be involved in exploration or development offshore China. Its role will be to advise on the legal, technical and economic aspects of grantings concessions to foreign oil companies.

To this end, it will open an office in Peking, headed by Mr. Agnar Langeland, the deputy finance director, and earmark personnel in Norway to co-ordinate the consultancy work.

Statoil experts in various fields will then be seconded to the Peking office for limited periods, as they are needed.

At the moment the Chinese are particularly interested in geophysicists and geologists who can help evaluate seismic data. Over the past year seismic surveys have been made in Chinese waters by a large number of foreign oil companies—U.S., European and Japanese.

Evaluation of this material—some 60,000 profile kilometres—will help the Chinese to decide which areas should be explored first and what kind of licensing conditions they require.

Study courses

A Statoil spokesman said yesterday that the consultancy venture was the result of a request made by the Chinese about two years ago, when the then Oil Minister, Mr. Bjartmar Gjerde, was visiting China. He could not say what the company would be paid for its services, but pointed out "the idea is not to make money, anyway." Rather, it was intended as a helping hand to a friendly government.

Statoil has already held two couurses, in Stavanger, for groups of Chinese personnel who are going to have to deal with multinational oil companies. A Statoil delegation which has been in China for talks about the scheme returned to Stavanger at the weekend.

Brazil firm on nuclear programme

By Andrew Whitley in Brasilia

AGAINST A background of cuts in Government spending, Brazil is to press ahead with its controversial, and highly expensive, nuclear power programme.

Sr Antonio Delfim Netto, the powerful Planning Minister, confirmed yesterday that an initial set of four 1300 MW power stations ordered from Kraftwerk-Union (KWU), the West German concern, at an estimated current cost of $8bn (£3.3bn), will be built.

Nor is there to be any scaling down of work on the country's two largest hydro-electric projects, based on the Itaipu and Tucurui dams, which together will have an eventual capacity of over 16,500 MW.

The Tucurui station, deep in the Amazon on the Tocantins river, will provide power primarily for the exploitation of the massive mineral deposits in the Carajas region further west.

In general, however, the Brazilian Government is seeking to reduce its spending on all capital projects over the next two to three years, as part of its efforts to bring down the rate of inflation. Sr Delfim said a wide range of other less essential development programmes, including hydro electric schemes and the improvement of the railway system, would be delayed.

No official figures are available on the savings that will be made through the postponement of these projects, although they could reduce the state's cash outlay during the next difficult years by as much as $2bn.

The local Press has suggested that the completion of the originally envisaged eight nuclear power stations from West Germany might be postponed once again to the year 2000, from the original deadline of 1990.

But the Planning Minister said that the cost construction benefits to be gained from completing at least four of the KWU installations, and the fact that access to the complete uranium fuel cycle will only be available once the entire programme is completed, were overriding considerations.

Lisbon lays down law on Scotch fraud

By Diana Smith in Lisbon

PORTUGAL'S TRADE Ministry has, so to speak, scotched the great whisky scandal.

It has issued a decree this week rigidly defining what is and what definitely is not whisky and laying down strict rules for blending imported concentrate, bottling, labelling and marketing what, henceforth, will be called "genuine Portuguese whisky."

Marketing of genuine imported Scotch, aged and bottled in Scotland meanwhile, will be covered by equally stiff rules.

The authorities have the legal tools to discourage and prosecute local forgers who have blended concentrate with whatever takes their fancy, including ethyl alcohol, placed it in local bottles with local labels that cleverly mimic the genuine Scotch article and sold the bogus product at genuine imported Scotch prices.

Sheltering under vague definitions of whisky and equally vague bottling or marketing laws, "Sacavem Scotch"—nickname for the spurious product—flooded the Portuguese market, crept into Spain and seemed to be travelling perilously close to France and the EEC countries.

This deeply worried Scottish distillers, whose reputation in Portugal suffered from the forgers' success. Consumption of whisky—about £3m worth in 1979—was dropping here, for customers found it hard to distinguish between real Scotch bottles and imitations, and feared unpleasant side-effects from the dangerous additives to the forged product.

New stipulations that whisky blended from imported concentrate must be aged here for no less than three years, olacefin bottles with "Whisky of Portugal" embossed on the base and covered with unremovable labels should deter forgers seeking a quick return on a tiny investment, and permit genuine imported Scotch to regain its market.

U.S. seeks recruits for export service

BY PAUL CHEESERIGHT

THE U.S. Government's drive to strengthen its export support services has moved a stage further with a recruitment campaign for officers to serve in the new Foreign Commercial Service (FCS).

The first 50 career officers will be in place early next year, according to Business America, the international trade journal of the Commerce Department. So far the FCS has been staffed by State Department officers on secondment.

The build-up of the FCS follows decisions taken as part of President Carter's 1979 Trade Re-organisation Plan and reflects official concern that the U.S. has been at a disadvantage compared with major competitors in the export markets.

"Especially France and the UK, but also Italy, Japan and Canada have much larger staffs and budgets. Their government policies and support programmes have been much more substantial in export promotion," said Mr. Erland Heginbotham, director general of the FCS.

The FCS will represent U.S. export and investment interests in 65 countries, but it is concentrating effort on six countries which account for roughly half of U.S. exports. Business America notes that substantial FCS staffs have been built up in West Germany, Japan, Mexico, Australia, Saudi Arabia and the UK.

This concentration of effort finds a parallel in recent moves in the UK Department of Trade and in the British Overseas Trade Board, where an Exports to Europe Branch has been created to intensify promotion work in the area of most immediate trade importance.

However, the fresh U.S. approach to trade promotion seems to rely more on formal training of officers than the UK system. And whereas the vast majority of applicants for FCS posts have come from the private sector, most UK official trade promotion work is carried out by career civil servants.

UK trade specialists have observed that the U.S. has been examining European Government export support services for some time with, it appears, the desire to pick up and develop any system it finds useful.

Dawn raid plans 'too severe'

BY CHRISTINE MOIR

STATUTORY POWERS are needed to prevent groups of shareholders acquiring significant stakes in companies without disclosing their common interest, the Council for the Securities Industry (CSI) said yesterday.

However, it was not necessary to strengthen companies' existing powers to punish shareholders who resist disclosure.

CSI was commenting on the recent Green Paper, Disclosure of Interest in Shares, drafted in the atmosphere of controversy after De Beers' acquisition of nearly 30 per cent interest in Consolidated Gold Fields in February.

A Department of Trade investigation found that companies associated with De Beers and Anglo American built up a near 15 per cent interest in Consolidated Gold Fields without disclosing the fact.

Their action merely exploited a loophole in the Companies Acts which requires disclosure only of individual holdings of 5 per cent or more.

The Government now proposes to close that loophole with the backing of CSI.

In yesterday's submission, however, CSI disagrees with the Government's proposed method of plugging the loophole—by extending the definition of an "interest" in a share through a complex formula.

CSI believes it would be safer and simpler to write in a simple "provision which would refer to persons who acquire shares as a result of an agreement (formal or informal) or understanding between them or who combine to acquire shares."

It is also concerned about the Green Paper's proposals to extend companies' powers to secure the disclosure of share interests.

Companies can already take powers to refuse to register anonymously owned shares and, CSI believes this is a sufficiently powerful weapon. It says power to cancel the shares so that the shareholder forfeits their value is unnecessarily strong.

It feels companies should not be encouraged indiscriminately to demand disclosure of an interest from anyone other than the shareholder himself. High court permission should be needed to approach an agent, CSI suggests.

Giveaway papers allowed to publish TV programmes

LOCAL free-of-charge newspapers will, in future, be allowed to publish full details of BBC and independent television programmes.

The decision, announced yesterday by BBC and Independent Television Publications, represents a victory for giveaway newspapers which have campaigned for several years to be allowed to publish a television programme guide.

BBC and independent television companies have always refused to allow any free newspaper to publish programme details, although paid-for newspapers have been allowed to.

Both organisations have relented following pressure from the Office of Fair Trading. It considered that the programme companies' policy of discriminating between free and paid-for newspapers could "inhibit competition for advertising revenue."

The Office of Fair Trading had considered taking action against television companies under the new Competition Act. But it has now decided against any formal investigation following the companies' decision to change their policies.

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The move boosts the status of giveaway newspapers. These papers first became established in the late 1960s and early 1970s and were cheaper to produce than normal local newspapers because they concentrated almost entirely on advertisements to the exclusion of editorial.

However, over the past decade some giveaway newspapers have steadily increased their editorial coverage.

Of 400 or so free newspapers currently publishing, about 125 have an editorial content of 20 per cent or more, compared with 33 per cent or more of editorial content in a paid-for local paper.

European textile aid 'too little, too late'

By Our Chemicals Correspondent

IMPERIAL Chemical Industries yesterday attacked the European Commission for doing "too little, far too late" to help the textile and fibre industries in the UK and on the Continent.

Mr. Bill Duncan, deputy chairman of ICI, told a meeting of the Society of Chemical Industry in Zurich that the Commission "lacked the political will" to take speedy and effective action against dumping and other "unfair trading practices." He stressed that the Commission did have the means to act.

"The EEC Commission already has thet powers under the General Agreement on Tariffs and Trade to act promptly on the receipt of a prima facie case of dumping," Mr. Duncan said.

"What is lacking is not the means but the political will. The Commisison's approach to the problems of the textile and fibre industries has produced too little, far too late.

"There is concern that some member-states may now have started subsidising their fibre industries contrary to the 1978 Agreement. One can only hope that once a new Commission is in place and the U.S. Presidential elections are over, that more rapid and incisive action will be possible.

Last week ICI announced that it was going to close two UK fibres and fibre raw material plants.

The group said its fibres operation had lost £38m in the first six months of this year

ICI blamed the increase in cheap fibres imports to Europe—particularly from the U.S. where producers enjoy low. Government controlled energy and raw material costs—as well as overcapacity and falling demand for the cuts.

Mr. Duncan said yesterday that U.S. exports of man-made fibres had increased from 133,928 tons in 1970 to 625,000 tons in 1980. The U.S. competitive advantage had several components but "prominent among them" were the fall in the value of the dollar and "access to feedstock and energy at subsidised prices."

"The U.S. has the unfair advantage of low, regulated feedstock prices, although for oil this system is due to be phased out by the autumn of next year and for gas later in the decade," Mr. Duncan said.

Leyland speeds truck project in Europe

BY JOHN GRIFFITHS

LEYLAND VEHICLES has speeded its programme to gain European legislative approval for the new T45 trucks, and will enter some major Continental markets in the middle of next year instead of 1982 as previously planned.

The T45 Roadtrain 16.28, a 38-40 tonne tractor unit launched as the "flagship" of the range in March, goes on sale in its latest sleeper-cab form in France, Belgium, Holland, Spain and Denmark.

Other models in the range—five launched so far, to extend eventually down to 16 tonnes—will be introduced to Europe in stages.

LV's European sales to date have been small, about 1,000 trucks a year, mostly Marathons. However, its skeletal network of European dealers and distributors has been helped stay in business by the Sherpa van, for which LV, as BL's truck and bus arm, has marketing responsibility.

Recently LV has sought to strengthen the European network, weeding out weaker operations and embarking on a morale-boosting campaign for others. But serious attempts at expansion are likely to have to wait until after the T45 has made its debut.

Even before its launch the T45 was being called LV's "truck for Europe."

But its first job was to regain some of LV's lost ground in the UK, where its market share has dropped from over 30 per cent in 1973 to under 18 per cent last year.

Despite the recent onset of short-time working T45 production is ahead of targets. Next week the 1,000th model is due to be delivered, against an initial target of the same number of all 1980.

Meanwhile, flushed with the success of its first major sponsorship venture in which Australian Alan Jones won the Grand Prix motor-racing world championship in Williams cars sponsored jointly by LV and Saudi interests, LV said yesterday that it would back Williams, again with the Saudis, in 1981.

No sums have been disclosed, but it is estimated that a two-car grand prix sponsorship now costs some £1½m-£2m a year.

Mr. Frank Andrew, LV's sales and marketing director, said: "It has been an excellent investment, meeting every objective we made. We are determined to build on that success, and will use the team to support the launch of our T45 Roadtrain throughout Europe."

Construction orders down by 23%

By James McDonald

NEW ORDERS for the construction industry are still running at levels considerably lower than a year ago, according to the latest Environment Department figures.

In the three months to end-August new contracts for construction work in Great Britain, based on constant (1975) prices were 23 per cent lower than in the same period of 1979 and 6 per cent less than in the previous three months, March to May, this year.

The public housing sector was again the worst affected, with new orders 47 per cent less than in the same three months of last year and 20 per cent lower than in March to May this year.

Private sector housing was also badly hit.

Swedish family library sold for £86,025

SALEROOM

BY ANTONY THORNCROFT

THE LIBRARY of the Ihre family of Sweden, originally Eyres from Scotland, was sold at Sotheby's yesterday for £86,025, with 1.7 per cent bought in. There was strong Scandinavian interest, an Icelandic buyer paying £7,500, over twice the forecast, for a first edition of the Bible in Icelandic, printed in 1584.

Lyon, the London dealer, bought an illustrated description of Sweden, with 368 plates, published in Stockholm from 1817-67, for £2,000.

At Christie's South Kensington, tableware was in demand in a silver auction which totalled £40,393.

More people covered by private health plans

By Tim Dickson

THE NUMBER of people covered by private health schemes rose by more than 26 per cent in the 12 months to September 1980, it was revealed yesterday.

At the end of last month the three major schemes—British United Provident Association, Private Patients Plan and Western Provident Association—had 1.55m subscribers covering a total insured "provident population" of 3.37m. This represents 6 per cent of the population, or one person in 17. The discrepancy between subscribers and total insured arises as a result of the large number of families included under one scheme.

In the last year the number covered for private medical care has risen by almost 750,000, according to a quarterly survey published by Lee Donaldson Associates, Consultant Economists.

'Poverty trap'

GOVERNMENT failure to reduce income tax further, which has so far benefited "only the tiny minority earning more than £500 a week," is undermining the welfare system and simultaneously failing to restore the incentive to work, claims a report published today.

Government policy has aggravated the poverty trap and add a new dimension to the unemployment trap, says the report published by the Outer Circle Policy Unit.

Cycling award

TI REYNOLDS, the British cycling frame subsidiary of Tube Investments, has won the coveted French award—the "Guidon d'Or"—for its services to cycling.

Contact lenses

IN AN article in the Financial Times of October 14, it was stated that Focus Contact Lenses was charging opticians £5 for a pair of hard lenses and £16 for soft lenses. We have been asked by the company to point out that the minimum charge to opticians is £5.25 per lens for hard lenses and £14.50 per lens for soft lenses, plus Value Added Tax.

Receiver called in at farmers' co-operative

BY RICHARD MOONEY

THE COLLAPSE of markets for meat by-products has claimed another victim.

Hertfordshire Quality Livestock Producers, a farmer-owned co-operative with an £11m-a-year turnover, has called in the receiver.

The co-operative blames its failure on depressed markets for hides and offals—the so-called fifth quarter of the meat industry.

Mr. Peter Harper, HQLP's managing director, said low meat prices and tight margins had made the company heavily dependent on profits from these products. Inflation and high interest rates had also eroded its trading base over the past 18 months.

"Our board could see little prospect of a return to profit in the meat business in the present economic climate and decided that the interests of members and creditors would be best served by asking the group's bankers to appoint a receiver and manager," he said.

Principal creditors are Arbuthnot Latham and Co.

Prices of hides have fallen sharply this year in response to reduced world demand for leather. The British Leather Federation's price index fell to 156 in June, compared with 579 at the same time last year.

The price boom last year was partly to blame, as ✱ resulted in severely reduced consumption, and the recession has not helped. In addition, Eastern Bloc demand has virtually disappeared.

This is due to a glut of leather there following the heavy cattle slaughterings forced by the U.S. embargo on feed grain sales.

Meanwhile, the market for edible offals has been little better, reflecting the general decline in meat demand. Slaughterers have been receiving poor returns for edible offals and have actually been having to pay for the inedible offals to be taken away.

Most unedible offal is rendered into fat or oil and the world oils and fats market has been poor because of heavy vegetable oil supplies.

Adding to the problem has been the escalation in energy prices which has raised renderers costs. As a result, demand has evaporated and slaughterers, who are not generally allowed to dump or burn these waste products, have been in the extraordinary position of receiving a negative return from the renderers.

Call for further aid for developing countries

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

A SECOND "Marshall Aid" plan to help the developing countries was called for by Baroness Jackson (formerly Barbara Ward), president of the Institute for Environment and Development.

Speaking at the 25th "Women of the Year" lunch, Baroness Jackson said the industrialised countries and those belonging to OPEC should repeat the extraordinary act of generosity extended by the U.S. Government after the last war.

She drew attention to the relative decline in the amount of aid being donated by the developed countries, "who between them account for 80 per cent of the world's resources and 90 per cent of the world's industry."

Mrs. Marie Patterson, the senior trade union official, reminded the 600 women guests that progress in certain areas relating to the working woman had been minimal in the past 25 years.

She cited the desperate lack of child care facilities.

Mrs. Patterson said no matter how determined people were to see that equal opportunities legislation be implemented in spirit as well as to the letter of the law, there had been an almost complete failure to provide the basic care that women needed for their children if they were not to have to take time out of their working lives.

Lady Lothian, the organiser of the annual event for the past 25 years, recalled that the first lunch was necessary to remind men of women's achievements. Many more women were in employment, many combining successfully a career and a family but she had to admit that the need for the event was still there.

Chemicals plan for shifting sands

Sue Cameron on moves to control natural gas liquids

U.S.-BASED Dow Chemical and UK-based Highland Hydrocarbons have just put in rival bids for a small but vital piece of land at Nigg Bay on the Cromarty Firth—potential site for a giant new petrochemicals complex.

The two companies are among those fighting for control of the natural gas liquids that will be brought ashore by the £1.1bn gas gathering pipeline planned for the North Sea.

Dow and Highland want to use the liquids as raw material for making ethylene—the so-called building block of the petrochemical industry—at Nigg.

Other contenders include Shell Chemical, BP Chemicals, Esso Chemicals and Imperial Chemical Industries, which all want the gases to be piped south for use in their existing ethylene plants.

Occidental, of the U.S., is also interested in using the natural gas liquid, in a plant it wants to build at Peterhead on the Scottish coast.

But the supporters of a development at Nigg Bay make up a powerful lobby. A petrochemicals complex there would bring jobs to an area of high unemployment.

Yet, there appears to be growing confusion over the important question of who controls the land at Nigg.

Planning permission to put up a gas separation plant and an ethylene plant was granted for the land — irrespective of who owns it — earlier this month by the Highlands Regional Council. But the land where Dow, Highland and the British Gas Corporation want to build their plants is all foreshore. It will have to be reclaimed before anyone can build anything there.

This is why the piece of land that Dow and Highland have both tendered for in the past few days is so important—it is owned by Mr. and Mrs. T. D. Scott, local farmers. It covers some 60 acres only. But without it, the task of reclaiming the rest of the foreshore at Nigg will be immeasurably more difficult.

Dow, which unveiled its plans for a £400m petrochemicals complex at Nigg three weeks ago, already has a large chunk of land at the site in conjunction with Cromarty Petroleum.

Between them, they have about 1,600 acres of which about 500 acres is below the high tide mark. The rest is dry land. Cromarty Petroleum and Dow own the 500 acres — the important part because that is where Dow wants to build — on a 50-50 basis.

Dow itself also owns 50 per cent of Cromarty Petroleum. The other 50 per cent is held by Universal Tankships which is owned by Daniel K. Ludwig, the international oil entrepreneur.

Yet Dow and Cromarty Petroleum's control of the land they have bought at Nigg appears to be hedged with ifs and buts. For one thing, the Cromarty Firth Port Authority has special powers to move in to take any land in the area for reclamation purposes, giving only 21 days' notice.

The authority was granted this power when it was set up in 1974 but the right lapses at the end of 1980. Earlier this year the authority applied to the Parliamentary Commissioners to have it extended.

The commissioners made an oral recommendation that it should not be extended. But it is believed their written report on the question is a good deal more ambiguous.

The man responsible for taking a final decision is Mr. Norman Fowler, Transport Minister. So far, Mr. Fowler has not made up his mind.

There is reason to think that Mr. Fowler will not be too hasty in coming out against the Port Authority. If it were decided to build a petrochemicals complex at Nigg, and if Dow's own plan did not win approval, then the authority's powers could prove extremely useful.

Highland Hydrocarbons wants to build an ethylene plant at Nigg and have it run on a "common user basis." At present Dow could halt such a scheme merely by sitting tight on the land it has bought in Cromarty.

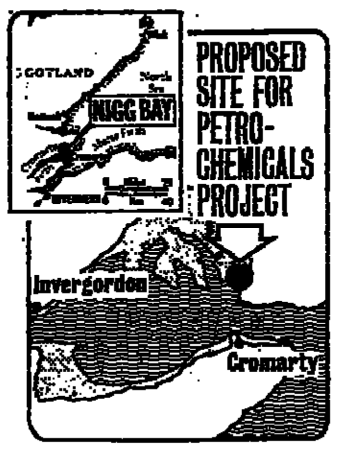
Such a situation would not please anyone—least of all the Government which wants to avoid unnecessary delays once the fight over the North Sea natural gas liquids had been settled one way or another.

If Dow refused to compromise on a scheme that involved its sharing or selling part of the land it has bought, the Port Authority could fall back on compulsory purchase. But this would take much longer.

The other question about Dow's title to the 1,600 acres at Nigg is that the Crown has rights over all land between the high and low water marks.

The Crown has waived its rights to the Nigg foreshore. But the waiver does not necessarily mean that those rights automatically devolve on those who have bought the land.

It is noteworthy that the British National Oil Corporation already has a presence at Nigg. The state oil corporation said at the weekend that it was thinking of going into the petrochemicals business. It was also confirmed that BNOC has held talks with a number of petrochemical companies, including Highland Hydrocarbons.



BNOC is in a key position because it will control some two thirds of the natural gas liquids coming through the new gas gathering pipeline. It is currently building an oil terminal at Nigg—on land reclaimed last year—for crude from the North Sea Beatrice field, where it is the operator.

The main battle continues to be over the future destiny of the North Sea natural gas liquids. But the question of the foreshore at Nigg promises to lead to bitter skirmishes.

Oilman to head NEB software marketing

By Guy de Jonquieres

MR. JAN SMIT, a retired Dutch oil company executive, was named yesterday as chairman of Insac, the company set up by the National Enterprise Board to market British computer software (programmes) abroad.

The NEB also plans to appoint non-executive chairmen, probably mostly outsiders with extensive business experience, at several of its other subsidiaries involved in aspects of computer technology.

These include Inmos, the integrated circuit manufacturing venture, Aregon, which sells viewdata systems overseas, and Nexos, which is developing and marketing advanced office products and information systems.

The new chairmen, who will be named after close consultation with the subsidiaries concerned, will be expected to ensure that the companies adhere to sound commercial strategies based on market demand.

In the case of Inmos, the new chairman will also be expected to supervise preparations for the planned sale of shares in the company to private investors in three or four years' time.

When they were first set up, the subsidiaries had chairmen who were members of the NEB Board, which resigned late last year. Since then, most of them have been headed on an interim basis by NEB staff members.

Mr. Smit, who is 56, retired recently from the chairmanship of Shell's lubricants operations. He spent much of his career seeking to expand Shell's American markets, a background which is expected to help Insac establish itself in the U.S.

Insac was conceived initially as the nucleus of a consortium of software companies in which the NEB had acquired a substantial minority interest. The intention was that Insac should develop and sell computer programmes, particularly to American customers.

But the consortium failed to turn out as planned, partly because only five companies were persuaded to join it and because of disputes between its members.

Insac is now attempting to modify its strategy, by enlarging the range of products which it markets and by selecting them from more British companies. It hopes to expand its consultancy activities and to enter the field of computer services.

Spong to lose 158 jobs by December

SPONG AND CO., hardware manufacturer and wireworker, is to make 158 of its 218 staff redundant at the end of the year.

The Basildon-based company lost £350,000 in the first six months of 1980. It said the production of certain types of kitchen equipment is to be discontinued, including mincers.

The company plans to move to smaller rented premises so its leasehold property can be sold.

Spong says that this year exports of its traditional products have fallen by 29 per cent. compared with last year. In the UK, sales have increased by 21 per cent in the same period.

● Staffordshire's ailing pottery industry was dealt another blow yesterday with the news that the Wedgwood group is to make 140 workers redundant. The company's workforce has already been reduced by 1,000 in the last 18 months.

Wedgwood said: "Arising out of the world recession and the present economic policy of this country a further 140 redundancies have been declared, mainly in the earthenware division, among the Wedgwood group's 9,000 workforce."

The group suffered a £2½m fall in profits last year—a drop of nearly a third. Sir Arthur Bryan, chairman, says he is confident Wedgwood will emerge successful from this difficult period.

● Thirty jobs have been lost with the closure of the last velvet cutting mill in Stoke-on-Trent, Staffs.

Olympic Redacre said: "It is very sad, but it is the usual thing—cheap cloth coming in from abroad and the loss of orders. It is happening everywhere."

● A cut of 200 in the 1,200 workforce of the Coventry engineering and component firm, Covrad, has been reported by shop stewards. They hope to reduce this in talks later this week.

More jobs may go by the end of the year unless the company gets help under the Government's short-time working compensation scheme. The company said the plant was suffering from the recession

Details Page 27

Dow to set up new bank

BY MICHAEL LAFFERTY

DOW Banking Corporation, the Swiss bank owned by Dow Chemical of the U.S., is to set up a new bank in London with two Scandinavian banks as minority shareholders.

The bank will be chaired by Mr. Harold Hitchcock, the former head of international operations at National Westminster Bank. Mr. Hitchcock became a member of Dow's Zurich board shortly after his retirement from NatWest.

In the London joint venture Dow will be partnered by Sundsvallsbanken, one of Sweden's largest regional banks, and Bank of Helsinki, a large Finnish commercial bank. It is expected that Dow will own 60 per cent of the London bank, with the two other banks each taking 20 per cent.

The basis of the bank will be Dow Banking's existing London branch, which will be incorporated.

New York Times link-up

THE FINANCIAL TIMES has signed a major contract with The New York Times for a news service. It will put selected items from the FT into the international network of The New York Times news service, starting immediately.

The FT is to provide 5,000 words a day, selected from items to be published in the following day's issue. The material will be transmitted through The New York Times network, enabling newspapers and magazines to publish it on the same day as the Financial Times. The service will cover political, economic, financial and commercial news.

The contract will enable FT to speed up communication through The New York Times transmission network, and reach an expanded range of clients worldwide.

The New York Times news service has more than 500 clients. It carries material from such newspapers as Le Monde and Der Spiegel in addition to that from The New York Times itself.

British Petroleum's £186m oil rig project a 'long, costly and bitter experience'

BY RAY DAFTER, ENERGY EDITOR

THE DECISION to exploit the North Sea Buchan Field with a converted semi-submersible drilling rig has been a costly time-consuming bitter experience according to the field's operator, British Petroleum.

The field is due to come on stream later this year—more than 18 months behind the original schedule. The cost of the project is now put at £186m, some 40 per cent more than the first estimate.

Mr. Eric Darnborough, BP Petroleum Development's Buchan project manager, says in a paper to be published on Thursday that, despite the company's "somewhat bitter experience" with Buchan, it believed the basic approach of using a floating production system was right.

But the company would not contemplate using another converted rig for production purposes.

Mr. Darnborough says: "Based on Buchan experience, a purpose-built rig would cost substantially less than a conversion and could have been completed in the time scale actually attained."

The paper will be one of over 150 reports on offshore technology to be presented at the European Offshore Petroleum Conference and Exhibition during the next four days at Earls Court, London.

The exhibition, sponsored by the Society of Petroleum Engineers and a number of other bodies closely associated with the offshore industry, has attracted 250 manufacturers and service companies. It is expected that more than 15,000 scientists, managers and engineers from 20 nations will attend.

A feature of the discussions will be an assessment of production prospects for small fields, like the Buchan reservoir. The amount of oil in the Buchan field is estimated to be 390m barrels although, at present, it is expected that only 50m barrels will be recovered.

Even so, as a result of increasing oil prices the Buchan project will still be an economic proposition, says Mr. Darnborough.

He points out that one of the reasons against rig conversions is increasingly stringent regulations which give rise to more comprehensive differences between drilling rigs and production platforms.

The Buchan platform was originally the Drill Master semi-submersible rig.

Gas is still cheapest fuel 'for use in the home'

BY MARTIN DICKSON, ENERGY CORRESPONDENT

GAS REMAINS by far the most economical fuel for home heating and cooking, according to figures published yesterday by the British Gas Corporation.

The corporation's latest guide to fuel running costs estimates the annual bill for gas central heating and hot water in a typical London semi-detached house would be £201 a year at October 1980 prices.

Using solid fuel, the bill would be £256, electricity would cost £338 and oil £341.

The guide says cooking by electricity can be four times as expensive as gas. In a house which uses gas for more than one appliance, cooking by gas can cost as little as £17 a year.

The cost would be higher—about £44 a year—if the cooker was the only gas appliance because the bill would have to include standing charges.

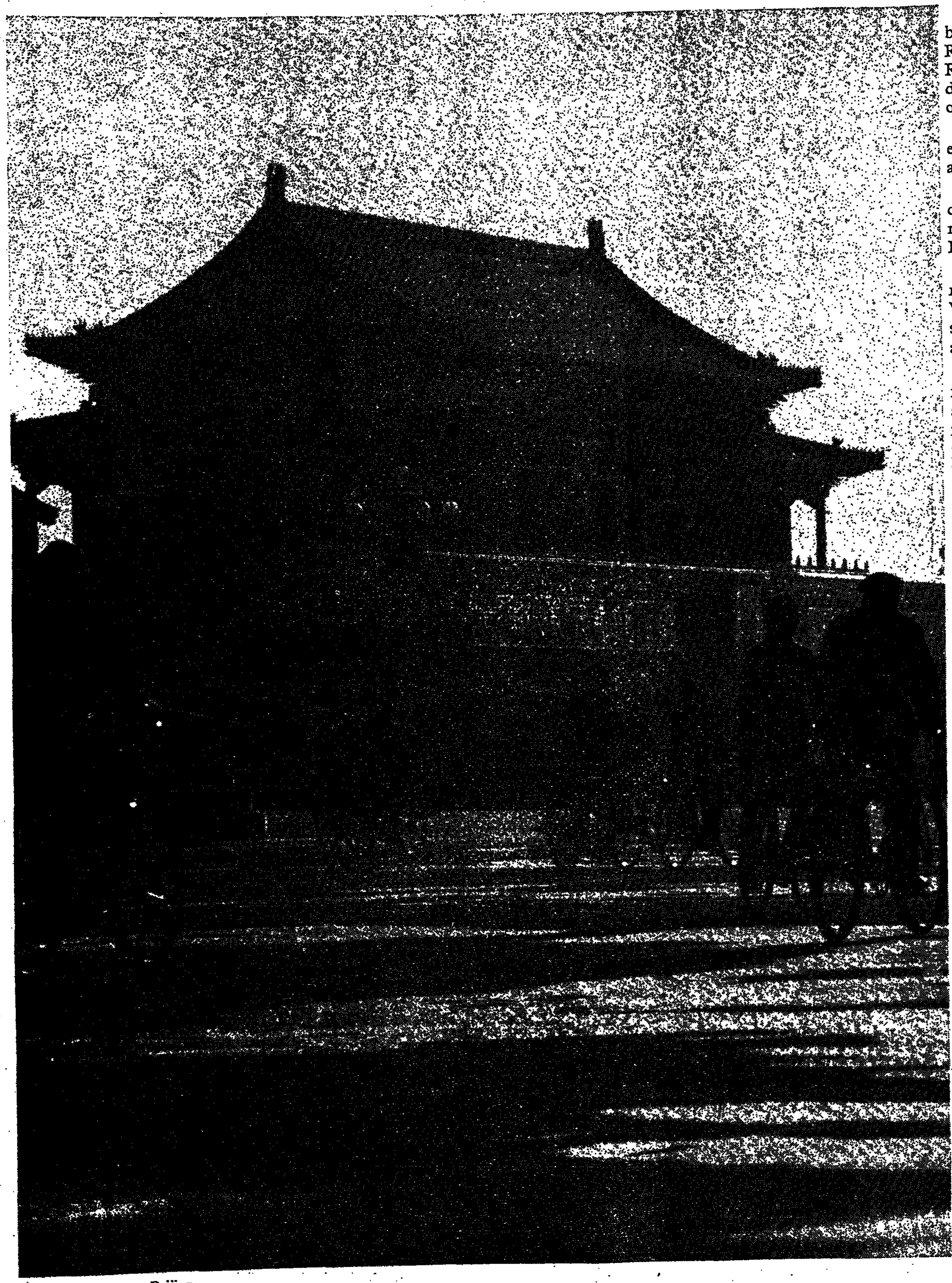
British Gas says even this higher figure "compares very favourably with the estimated average cost of cooking by electricity which works out at around £71 a year."

Both British Gas and area electricity boards have raised prices by about 29 per cent this year.

Maurice Samuelson writes: Better design and management of buildings could save Britain about £5bn a year, the equivalent cost of building 200,000 council houses, 2,500 schools or 250 hospitals, Mr. Bryan Jefferson, president of the Royal Institute of British Architects, said.

He was speaking at RIBA's launch of a compact £450 electronic calculator for use by architects in designing energy efficient buildings.

Beijing. First Chicago is there.



Tian An Men Square, Beijing

On October 21, 1980, First Chicago became the first U.S. bank to open a Representative Office in the People's Republic of China. The first to give you direct access to a world of new business opportunities.

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Wave of closures feared

BY MAURICE SAMUELSON

THE PRIME MINISTER yesterday received a new warning from manufacturing industry that unless the Government promptly tackled the liquidity crisis, it would "destroy the nation's industrial base in a tidal wave of closures."

It came in a letter to Mrs. Thatcher from Mr. Tommy Macpherson, chairman of the London Chamber of Commerce and Industry, representing 8,000 companies in London and the South-East.

In a separate memorandum to the Prime Minister, the Chamber called for "a real scheduled plan for action on curbing public revenue expenditure," and said that this would justify the reduction in interest rates.

To put it off, however, would suggest "a lack of resolve or of confidence by the Government in its ability to control its own pay settlements."

Mr. Macpherson told a Press conference that for a start the Government should seek to cut public expenditure by not less than £1bn.

Calling for a major shift in economic policy, he added "that it should place greater stress on spending cuts than on monetary control and that this would be in line with its programme during the last election campaign.

The Chamber was issuing its statements, he said, because civil servants were giving Ministers the impression that industry was feeling only "superficial pain," even though in many cases it was "of mortal depth."

Although industry had responded to the Government pressures by boosting exports and increasing efficiency, the Government did not appear to know how to face the challenge of cutting expenditure which it had set for itself.

In the south-east high local authority rates were the chief cause of failures among businesses, and increased UK industry's handicap in comparison with its competitors in the EEC.

The rates burden on London companies would be made even greater by plans, now before Parliament, to transfer rates collected in London to other parts of the country.

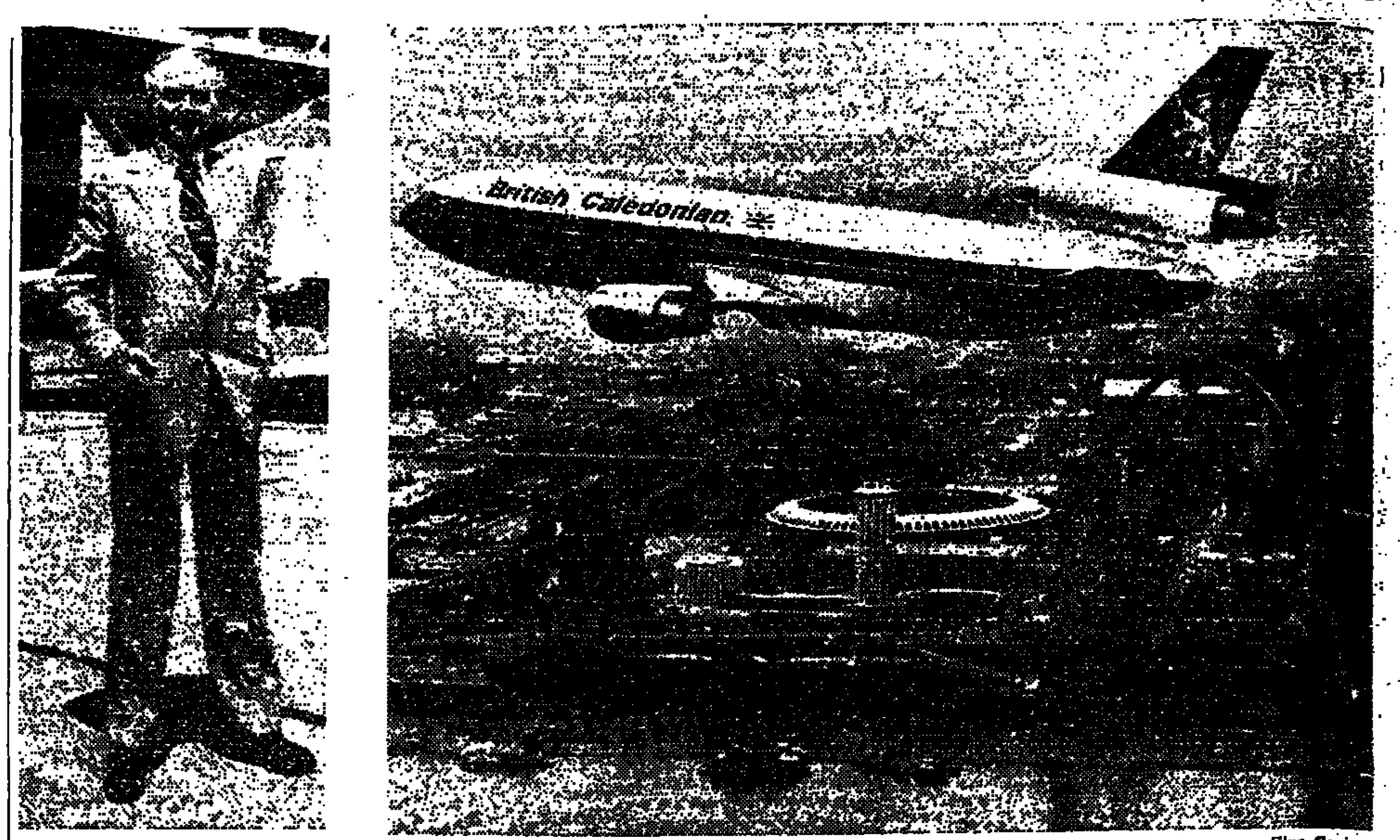
"If you have a capital city without prosperity you have trouble throughout the country," Mr. Macpherson said. The Chamber's last survey of its membership had shown that the number of companies reporting falling domestic orders had doubled between March and July.

In his letter to Mrs. Thatcher, Mr. Macpherson wrote that while the Chamber fully supported the Government's objectives, it was concerned about the Government's failure fully to implement its policy.

Complaining that the "negative features" of the Government's policy had lasted too long, it added: "This time factor can kill." The continuing high levels of public expenditure, high interest rates and high sterling exchange rates, all within Government control, were creating an "intolerable" situation.

While describing public spending cuts as the key, the Chamber said it opposed "indiscriminate slashing of public capital expenditure, which forms the infrastructure of the future."

It therefore wanted the Government "to come forward with a clear, rapid, and dated programme for cutting public revenue expenditure."



Glyn Genin

A MCDONNELL Douglas DC10 aircraft flies over St. Louis, Missouri, headquarters of the McDonnell Douglas Corporation. It is named James S. McDonnell, the Scottish American Aviation Pioneer, in honour of the company's late founder (left).

Government 'has made UK more attractive to foreign companies'

BY DAVID MARSH

GOVERNMENT measures have made the UK a more attractive base for overseas businesses wanting to expand their operations abroad, according to Mr. John Biffen, Chief Secretary to the Treasury.

At an investment seminar in London yesterday, Mr. Biffen said foreign companies received a very generous fiscal welcome in the UK. He said this had been made even warmer by attractive features added by the Government.

Recounting the income tax cuts of the 1979 Budget, he said Britain was no longer a high-tax nation for individuals. Additionally, this year's Budget had proposed the setting up of enterprise zones to "quicken the spirit of private business initiatives."

Mr. Biffen said Britain's Corporation Tax system, with its mixture of incentives and reliefs, favoured business as it meant many companies paid very little—or no—corporation tax in their early years.

He also said the recent U.S.-UK double tax treaty now made it more attractive for companies to remit profits home.

Mr. Biffen said Britain's system of grants for regional development areas contributed to offsetting costs of new buildings for manufacturing purposes or capital spending on new machinery and plant.

On Corporation Tax, he said stock relief measures reduced taxable profits of companies to take account of the increasing cost of inventories. This could be of "enormous help" to expanding businesses.

He said Americans coming to live in the UK for a company resident elsewhere enjoyed special income tax attractions.

Pupils need 'lessons in industry'

By Michael Dixon, Education Correspondent

A PLEA to employers to give more schoolteachers and pupils a taste of business life and its problems, was made by Mr. Mark Carlisle, Secretary for Education and Science, in Birmingham yesterday.

Those in education had important lessons to learn from industry, including the fact that designing and making things deserved the attention of the most academically able children, he said.

Mr. Carlisle was opening a conference on the work of schools, attended by employers and trade unionists as well as educationalists. Similar conferences are to be held in nine other regions up to June.

The Education Secretary said he was keen to hear employers' and unions' comments on how educational policies should be modified to meet industrial needs.

● Miss Ann Gray, president of the 90,000-strong Assistant Masters and Mistresses Association warned at her union's annual conference in Southport that: "Published exam results did not show if a school was understaffed, or served an area with a heavy concentration of social problems, or had a rapidly changing population."

Fowler will 'prolong M1's life'

BY JAMES McDONALD

MR. NORMAN FOWLER, the Transport Minister, inaugurated a £27.2m project yesterday to widen one of the worst motorway bottlenecks on a six-mile stretch of the M1 in Hertfordshire.

It will increase the dual two-lane sections between Junction 5 at Berrygrove and Junction 7 at the M10 interchange to dual three-lane standard, and from there to Junction 8 at Hemel Hempstead there will be four lanes in each direction.

John Laing Construction is the contractor. It is expected to take about two years.

The M1, 21 years old on November 2, was designed to last 20 years based on traffic forecasts available in the 1950s, Mr. Fowler said yesterday.

In 1960 it averaged about 16,000 vehicles a day. Today it is 50,000, with peak flow at Junctions 9-10, where the daily average is 75,000.

He spoke of the widening at an exhibition at Watford showing how it was proposed to maintain traffic flows during construction.

There was also the problem of wear, said Mr. Fowler. The M1 "has long been coping with heavier commercial vehicles than anticipated in the early 1950s. I am determined now to carry through a programme of strengthening to prolong its life.

"Repairs to be carried out during the next two years are designed to secure a fast, safe highway to meet the traffic needs of the 1990s."

While the widening is carried out, though five under-bridges are to be extended, it is claimed that present capacity of two lanes each way will be maintained throughout the day. At night occasional "partial closures" may be necessary.

Beneath the under-bridges traffic will be "shuffled" backwards and forwards across the carriageway to ensure that no traffic passes under a span being constructed in the daytime.

● The Government gave the go-ahead yesterday for the £60m North Devon Link Road from the M5 near Sampford Peverell to Barnstaple, bypassing Tiverton and South Molton.

Work on the £12m Stage 1 from the M5 to Tiverton should start in the next two years.

Energy disadvantage 'narrowing'

BY IVOR OWEN

THE competitive disadvantage being suffered by British companies in relation to their rivals in other EEC countries because of high fuel costs is "uneven and narrowing fast," according to the Government.

Earl Gowrie, Minister of State for Employment, expressed this view in the House of Lords yesterday when urged by Lord Bruce of Donington (Lab.) to secure a reduction in industrial electricity and gas tariffs to bring them in line with charges in France and Germany.

The Minister admitted that the energy pricing disadvantage suffered by British companies compared to EEC competitors had been more pronounced at an earlier stage. But as the high energy prices worked through and contracts advanced, the disadvantage was rapidly narrowing.

At the same time, Earl Gowrie stressed that this Government view was subject to information being collated by the CBI on energy prices.

He also insisted that the Government had never sought to conceal that British industry did operate at an energy price disadvantage in certain sections where competition was encountered from companies based in North America.

Lord Bruce maintained it was clear that some companies on the Continent were able to obtain their fuel far more cheaply than British concerns. He called on the Government to examine carefully the information to be provided by the CBI and to make it clear whether it agreed with the figures on energy costs provided by industry itself.

Laker seeks Hong Kong licence for air route

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LAKER AIRWAYS, the UK independent airline, hopes to become the fourth airline on the London-Hong Kong air route as a result of public hearings into its application, which began in Hong Kong yesterday.

At present, three airlines fly the route — British Airways, British Caledonian and Cathay Pacific. Laker has been licensed by the UK Government, but must win a reciprocal licence from the Hong Kong Government.

The public hearings are expected to last all week, with objections from the other airlines.

British Caledonian and Cathay Pacific are asking the Hong Kong Government to lift restrictions on flights—four and three respectively—they can make each week on the route.

Remote-control helicopter competition launched

BY OUR AEROSPACE CORRESPONDENT

A COMPETITION to develop a small, pilotless helicopter is being sponsored by the Royal Aeronautical Society and companies in the UK helicopter operating and manufacturing industries.

Such a helicopter could be used to survey battlefields, but could also have civilian applications such as remote-controlled surveillance of traffic.

The R.Ae.S. is offering a £1,000 prize to the person or group building and flying a small, remotely-controlled rotorcraft which beats the continuous flight record of 3 hours 35 minutes 6 seconds.

A further prize of £500 will be awarded for ingenuity in meeting the object of the competition. A "fly-off" will be held on July 3 and 4, 1982, but no applications will be accepted after July 31, 1981.

UK NEWS – LABOUR

West Yorkshire drivers reject interim 5.2% pay offer

BY NICK GARNETT, LABOUR STAFF

LORRY DRIVERS in West Yorkshire have rejected an interim pay offer of 5.2 per cent on basic rates to cover a period of two months, after which it would be renegotiated.

It was made by the hauliers federation for Leeds and Bradford, one of the areas first in the negotiating round for "hire and reward" drivers. It would have run from November 1—the drivers settlement date—until January 5. Any further deal after January would run to the following November.

The employers said they had made an interim offer in order to be in a better position to assess both the rate of inflation next year and the size of settlements in other regions. Many are due to settle in January.

The offer, which did not include improvements in any of the drivers' allowances, had been recommended by negotiators for the Transport and General Workers Union. But the drivers voted at the weekend in favour of seeking an improved increase on the basic

The national Road Haulage Association (RHA), which does not cover Leeds and Bradford, said yesterday that members throughout its regions had emphasised their reluctance to settle above low or middle single figures in a 12-month deal.

This would be in response to inflation-linked claims, although RHA says drivers are now aware of the industry's serious economic position.

The Leeds and Bradford vote, however, suggests that the hauliers might have some difficulty in containing settlements to these levels.

RHA, which has 15,000 members and up to 150,000 vehicles, said yesterday that the "hire and reward" industry was in a "desperate crisis."

A survey of 12 middle-sized operators in South Wales had shown that, in the past six months, 24 per cent of their 303 lorries had been idle through lack of work.

"You just can't describe it. Lay-offs, redundancies, short-time working everywhere," said RHA. "Some areas are a little better off than others. South Wales and the North are especially hit by the recession."

Ayrshire Marine strike may end

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE WAY appeared clear last night for reopening of the Ayrshire Marine oil platform yard at Hunterston on the Clyde coast, and resumption of work on the Maureen Field steel jacket.

Members of the Boilermakers' Society, who previously rejected conditions for a return to work, voted 144-105 to go back.

The dispute was about work safety in the yard.

Shop stewards who led the strike argued against a return, but the meeting backed Mr. James Murray, general secretary-designate of the union, who told the men that as they had defied the union executive they would not get dispute benefit.

There was no alternative to accepting the company's condition, already agreed by the other union involved, the General and Municipal Workers' Union, he said.

Union officials said after the meeting that Chicago Bridge International, the U.S. company which is the leading partner in managing the yard, had agreed to stop preparations to tow away parts of the structure for completion elsewhere.

The company applied to the Scottish Office, which owns the Hunterston site, for permission to breach the sea wall to tow out partially-completed parts of the structure, but consent had not yet been granted.

The yard was closed last month after a long strike seriously delayed work on the Maureen jacket, and the 900 workers were sacked. Chicago Bridge will advertise jobs in the yard, but is expected to re-employ only about 600 men.

One condition made by the company is that the new workforce must accept sub-contractors being brought into the yard to speed the job, and some work only partially complete being sent outside to finish.

Shop stewards fear that the company will not re-employ and will blacklist those men it believes are "troublemakers."

Prior opposes picket code compulsion

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT'S codes of practice on picketing and the closed shop would be "far too inflexible" if they were given full legal force, Mr. James Prior, the Employment Secretary, said yesterday.

Speaking to an industrial relations conference in London, Mr. Prior said that even if it were possible to draft legislation to make the codes legally enforceable, they would be too rigid.

"I nsome cases I believe it would be a positive hindrance to gettin gthe changes in attitudes we want to see."

He rejected the view of Right-wing critics who have called for the main body of the Employment Act to be strengthened by the codes being given full legal force, stressing that there was a limit to the extent to which the law could be used to regulate individual attitudes.

Mr. Prior also criticised those on the Left who attacked the codes for extending the law. Where there was no respect for the law, there was usually no respect for democracy.

Aside from the picketing code's provision recommending that picket line numbers normally be limited to six, it had been "established beyond doubt 20 years ago" that the police had power to limit the number of pickets where they feared disorder.

He thought the codes would be in operation by the new year.

Unions at Talbot see threat to 17,000 jobs

PEUGEOT SHOP stewards fear that Talbot Cars' UK operation, with 17,000 jobs, is going to be dismantled by the Peugeot management.

Their union counterparts at Talbot factories in France and Spain are also concerned about continuing labour reductions.

A tripartite committee of union officials is now co-ordinating a national and international campaign to fight any more job losses.

In Coventry, the UK headquarters of Talbot, the engine building plant is on a one-day working week and the assembly plant on either two or three days. The Scottish works at Linwood are on three days.

The concern of the British stewards follows the loss of 5,000 jobs in the past nine months and now the redundancy of nearly 500 white collar staff. These form the central staff and design team in Coventry.

Farm workers' claim 'could cost jobs'

By Pauline Clark, Labour Staff

BRITAIN'S 250,000 full-time farm workers were told yesterday that jobs might be lost if they succeeded in getting a wage settlement which farmers could not afford to pay.

The warning was given by Mr. Richard Butler, president of the National Farmers Union — the farming employers' body — shortly after trade union leaders submitted a claim for a 100 per cent wage rise.

Negotiators in the National Union of Agriculture and Allied Workers were told by employers representatives on the Agricultural Wages Board that their demands for an increase in basic pay of £58 to £110 a week could not be met. Also, there could be no reduction in the 40-hour week.

The union said yesterday that farmers had conceded that wages only represented one fifth of their outgoings and this was incompatible with their warnings on the effects of meeting the claim.

Labour Party, TUC in manifesto talks

BY CHRISTIAN TYLER, LABOUR EDITOR

TUC AND Labour leaders yesterday mapped out a winter programme of policy talks that will have considerable influence on the party's manifesto for the next general election.

A statement on trade and industry, endorsing union demands for selective import controls and "managed trade," has been approved by the TUC congress and the Labour Party conference.

The TUC-Labour liaison committee will now turn to developing polices for manpower, economic planning and, possibly, industrial democracy.

But the sensitive issue of a future incomes policy, which both the TUC and Labour conferences have agreed should be tackled, may not reach the agenda until next year.

Leftwingers remain sceptical of the chances of devising even a "progressive" plan for incomes (including state benefits) that would not degenerate into old-fashioned wage restraints.

At its regular monthly meeting yesterday, the committee supported the emergency reflationary package demanded by the TUC in its Downing Street talks with Mrs. Thatcher and her economics ministers a week ago.

It also approved a sepaarte TUC programme, published in August, for emergency help to the 2m unemployed.

Union leaders say that for a net outlay of £343m, nearly 1m unemployed workers could be helped through further subsidies for training and retraining, short-time working instead of redundancy, temporary employment and earlier retirement.

They argue that the total cost of the present unemployment far outweighs the cost of such subsidies. Losses suffered by the Exchequer in terms of tax, national insurance, and expenditure on social security payments was some £6bn a year.

The Government is expected shortly to announce its own measures, he probably aimed primarily at the young unemployed. They are designed to increase training given in state-subsidised work-experience schemes.

Seamen seek U.S. backing in Cunard campaign

BY PAULINE CLARK, LABOUR STAFF

THE National Union of Seamen yesterday instructed its officers to stop supplying crewmen to ships owned by Cunard as part of a plan to step up their campaign against the company's move to transfer two of its passenger liners to flags of convenience.

At the same time it instructed all members in regular employment with Cunard to stay at home.

The union is seekin gsupport from the U.S. Maritime Union and American dockers trade union leaders to spread industrial action to the Cunard Princess, at present in dry dock in Puerto Rico and due to sail to the U.S. shortly.

The dispute has already led to industrial action by NUS members, which has left the other Cunard liner affected by the company's plan—the Cunard Countess—stranded in Barbados since Thursday. The union executive will consider later this week how to put further pressure on the company.

Cunard's 67,000 ton liner, the QE 2 has been hit by the crew's sympathy action. It sailed out of Southampton yesterday, 24 hours late. The crew refused to sail on Sunday even though 1,500 passengers were already on board.

The union says it has begun talks with the International Transport Federation to ensure maximum international support by unionised seamen for further action taken against Cunard.

The company wants to cut its operating costs by employing foreign crew on lower wages, but has given the union an assurance that there will be no redundancies among its British ratings.

It said yesterday that talks had not yet been concluded with the NUS on new arrangements. Industrial action was unwarranted, the company argued, because all 270 British ratings on the Countess and the Princess would continue to be employed on full pay until they were found jobs on the QE 2.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Continuing our series of articles on helping redundant executives, Nicholas Leslie examines a 'do-it-yourself' handbook

A look on the bright side

THE SPECTRE of redundancy is casting a depression over much of industry. The actuality of it instils in its victims a mixture of disbelief, shock, depression and other emotions. Because of the extent of the current shake-out, British managers have been far from immune to it, and the number of out of work executives is steadily rising.

Instead of being overwhelmed by the negative aspects of redundancy, managers should recognise its positive aspects, says a new publication from the British Institute of Management*. For it can offer "an excellent opportunity for personal appraisal and career review."

Lump sum repayments provide some necessary capital to realise yearnings to work freelance "or cherished dreams of starting your own business." Or there may be opportunities to take a refresher course or even retrain completely. The decisions to be taken "are critical, and require careful planning and professional advice."

The publication—Guidelines for the Redundant Manager—is effectively in two parts, the first dealing with the entitlements of redundant people and how to get them, and the second with the opportunities available for securing re-employment and the agencies that exist to help in this task.

One of the points stressed has become familiar in this series of articles on help for redundant executives: that the average executive "can expect to be out of work for four or five months even when very strenuous efforts are being made to find fresh employment."

It is therefore essential to recognise that looking for a new job is a full-time occupation, says the guide, and it is as well for executives to be organised so that they are well-placed to seek out opportunities and to react positively to them as they arise.

The BIM recommends that an executive facing redundancy should ask two sets of questions — one of which may in fact avert his losing his employment completely, the other which brings him face to face with his own strengths and weaknesses and thus the prospect of averting any future redundancy.

The first series of questions revolves around the possibility of an existing employer finding a suitable alternative job, providing training facilities, helping with contacts, or offering consultancy work.

Th second questions the executive's own competence. Has he kept up with new management skills and techniques? Is he aware of what original research is being done in his field? Is he aware of technological development? Does he know what training and development might be helpful?

At the outset, the guide provides a lot of practical information on action to be taken as soon as unemployment begins, and on the financial entitlements that are available. A "ready-reckoner" of redundancy entitlement is published together with information on unemployment pay, and earnings-related supplement.

There is also a useful section on pensions, outlining the statutory provisions of contracted-in and contracted-out schemes: of refunds of contributions: of preserved, frozen or deferred pensions; and of the transfer values of pensions. Recent legislation that improves the position of redundant employees in relation to pensions is referred to, but it is stressed that "pensions are a complex subject and no simple answers to the problems of redundancy exist."

In seeking new employment, redundant managers have a host of organisations, both government and private, to which they can turn. Not only will such firms try and find new jobs, but some of them go further, offering "grooming" services, so managers can present themselves in a better light at interviews, as well as helping them completely change career. Many of them are listed in the guide, together with the services they offer.

In applying for jobs, managers are urged to put together a job file containing all relevant information about themselves: "A record of your past achievements can be a pointer to future action," says the BIM.

The redundant manager is reminded that an interview should be "a two-way negotiating situation, where both parties are given the opportunity to request and impart information. If you have done your homework thoroughly then you will already know quite a bit about the company, its products or services and their share of the market."

There is also a word of caution: "Never run down a previous employer, however tempting this may be . . . Far better to stress the positive aspects. Where you have been made redundant avoid being bitter; just explain the circumstances which resulted in the redundancy."

*Guidelines for the Redundant Manager. BIM's Manager's Guide No. 2, available from BIM, Management House, Parker Street, London WC2B 5PT, price £3.20 to individual members and collective subscribers, £4.80 to others, plus 10 per cent postage.

Previous articles in this series were published on August 13, October 7 and 20, 1980.

Women win a surprise victory in Operation Executive

Elgin Schroeder on the contrasting ways in which German women have made their mark in business

DR. VIOLA Hallmann insists on wearing men's suits, complete with tie and clumpy shoes. Though a wife and mother (of a six-year-old daughter), she scoffs at female occupations and is known to preach the use of elbows as the means to get ahead in a man's world.

The 34-year-old economist and owner-manager of Friedr. Theis Kaltwalzwerke, a family rolling mill business on the edge of the Ruhr, did not wait long to make her mark. Having taken over the business from her father immediately after completing her studies, she systematically built up the enterprise, buying three small steel manufacturing companies in the area. She now employs nearly 1,200 people and achieved a group turnover of almost DM 250m last year.

Dr. Anne-Rose Iber-Schade offers a complete contrast in appearance, though not in achievement. A grey-haired 57-year-old mother of three grown children, she wears chic feminine clothes and cannot, by any stretch of the imagination, be called a fiery feminist, although she is dedicated to the promotion of the right image of top women in industry.

Strategy

Also an economist, for 25 years she has owned and run Wilhelm Schade KG, a flourishing automobile spare parts and components business just south of the Ruhr: her husband is the company's technical director. With a workforce of 1,500 and a turnover of DM 120m, it supplies every German motor company and quite a few abroad. This strategy of Dr. Iber-Schade's to spread the business risk has allowed the company pretty clear sailing, even during the sector's downturn during the 1974 energy crisis and—so far at least—in the current recession.

In their very different ways both women are representatives of a surprisingly large group of female entrepreneurs in German business. Both are members of an association which groups 1,400 such women in Germany, and Dr. Iber-Schade has recently been elected to its chair.

Founded in 1954 to provide a forum for largely untrained women who had taken over a family business after their husbands died in the war, it is now orientated to training the businesswoman, and furthering her image as a fully-fledged member of the executive world. Despite the long existence of the Association of Women Entrepreneurs, it came as a startling revelation to most Germans when the organisation announced that there are at least 23,000 female company bosses in the Federal Republic, most of them at the head of medium-sized companies.

Whenever the pollsters quizz the German public as to which woman has made the greatest public impact, the names are always from the same circles—they are either in political life, or they are artists and athletes, or possibly wives of politicians. Far behind, in last place, if at all, follow businesswomen.

The best-known are Grete Schickedanz, who together with her son-in-law runs Quelle, Europe's largest mail order concern, and Liselott Linsenhoff-Schindling, owner and supervisory Board chairwoman of Adolf Schindling, the world's biggest measuring instruments company, which has an annual turnover of DM 1.14bbn (£265m).

A third name, Beate Uhse, is probably the most talked about. Crowned Germany's sex queen by the popular Press, she started her sex shop and sex films business after the war without a penny. Today she employs roughly 400 people and her company has an annual turnover of well over DM 50m (£11.5m).

The image of the female businessperson was given a considerable boost by a recent competition to choose the "Female Entrepreneur of the Year," staged by Capital, one of Germany's leading business magazines (and with a predominantly male readership).

Among the candidates was a string of women whose success has been in small- and medium-sized companies. They included Maria Steinmann, who has trebled the turnover of Fridbad, her Baden-Baden based cosmetic firm, over the last eight years. Rosemarie Veltins has turned the small Veltins brewery, which she took over in 1964, into one of the biggest privately-owned breweries in West Germany. But it was Viola Hallmann who won.

The choice of Dr. Hallmann—whose masculine attire and tough attitude made her a solitary exception among the candidates—is a telling indication of just how far women still have to go before they are fully accepted as equals of the men who rule industrial life. This is all the more striking in view of the fact that there are certainly more female achievers in industry than, say, in politics, where women are far better established.

Prejudice

"It is no longer extraordinary for a woman to manage a company," says Dr. Iber-Schade. "But, in the continuing absence of equal opportunities for women, it is not yet seen by society as a matter of course." To make it so is the professed aim of her work for the association.

"Women executives in West Germany, as in most other Western countries, still have to fight against lingering misconceptions and prejudices," she complains. "As a rule they have not made their careers thanks only to a prudent marriage or an inheritance," she stresses. "Nor do they head only small businesses. Nor have they made their way solely in such typically feminine sectors as cosmetics and fashion."

To back up these claims, Dr. Iber-Schade ticks off the following statistics: of the Federation's members as many as 31 per cent founded their own firms, as against 64 per cent who inherited them. (The rest bought their companies.) And the majority of them is active in such classical "male domains" as manufacturing and construction. A total of 44 per cent own and manage companies which produce electrical and chemical goods, steel, cars or spare parts, building materials and machinery. Only a third are engaged in commerce and a mere fifth are in the service sector.

Dr. Iber-Schade encourages her members to come forward and serve on Government bodies, on committees of Chambers of Commerce, on the boards of industrial federations or in employers' organisations—on all of which they are so far sorely underrepresented.

She is setting a good example herself. Not only is she a member of the board of the economic council of the Christian Democrat Party, and an honorary judge at the Federal social court which rules on social security disputes, but she was also recently appointed to the monopolies commission.

This exposure, she argues, is the best way of demonstrating that the role of the female businesswoman in West Germany has changed since the war. At that time she saw herself as a sort of caretaker who ran the business—rather reluctantly—until her husband returned from the front, or from prison camp, or until her sons grew up and relieved her.

Now she makes her job her life's work permanently. She knows that to compete with her male rivals she needs qualifications, the willingness to work hard and continuously to improve her entrepreneurial knowhow, as well as the courage to take risks. This, together with her natural female ability to deal with people, is a woman's formula for success.

"The executive woman of today does not need to simulate man or be militant," says Christiana Ament-Rambow, the Association's young manager, hinting at her displeasure with the outcome of the Capital contest. "All she needs to make it are leadership qualities and staying power."

In order to "help the female entrepreneur approach her tasks professionally, find her own leadership style and form her own opinions on economic and social principles," according to one of its brochures, the association lays on regular weekend seminars, lectures and training programmes—often in collaboration with the working group of independent entrepreneurs, its counterpart on the masculine side, with which it has very friendly relations.

But Viola Hallmann, the competition-winner, has doubts about the success of these emancipation activities. Although herself a member, she calls the federation "a coffee morning circle which does not contribute to the further enhancement of the fundamentally positive reputation of woman in professional life and in top industrial positions."

Management abstracts

These summaries are condensed from the journals of abstracts published by Anbar Management Publications. Readers wishing to consult original texts should write to: P.O. Box 23, Wembley, HA9 8DJ.

An Alternative to De-Skilling. A Reis in bit. (Fed Rep. of Germany), April, 1980: p. 186 (2½ pages, in German, English version available).

Discusses the limits to Taylorite re-organisation of secretarial work, and shows how the decision in favour of or against pooling should depend on the nature of the work; suggests that word processing equipment is in many situations worthwhile even where de-skilling is rejected.

Small Business Growth. J. F. McKenna and P. L. Oritt in SAM Advanced Management Journal (USA), Spring 80: p.45 (9 pages)

Examines the growth/no-growth dilemma facing small business owners, discusses the benefits and drawbacks of both strategies, and suggests factors to be considered when selecting one, stressing that a decision for growth must be supported by objective planning.

Investment Hurdle Rates and the Cost of Capital. R. Pike and B. Roberts in Management Accounting (UK), May 80: p.26; and Jun 80: p.38 (5½ pages, charts).

Explains why the BBA Group (conglomerate) decided to reconsider the basis of the cost-of-capital measure used in investment decisions; explores the issues considered when reappraising the meaning of cost of capital and its use in providing an invetment 'hurdle'; reports on why the group adopted portfolio theory principles and how risk premiums for various categories of projects were arrived at.

Introducing Funds Flow Analysis into Management Accounting. D. Allen in Management Accounting (UK), Jun 80: p.26 (1½ pages, diag.).

Contends that management accountants have been deterred from establishing product group cash flows by the prospect of having to analyse the entire balance sheet; suggests viewing a company on an 'entity' basis and relating each activity's trading account (irrespective of how it might save been distributed) to its operating assets (irrespective of how these may have been financed).

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

Ultra sound is key to cheaper typewriters

BY DAVID TONGE IN NEW YORK

A NEW generation of typewriter, which conjures up the image of bats swooping at the keyboard, was announced last week by the Smith Corona group in the U.S.

The major innovation in the new machine is a typing element driven by ultrasonic waves. This advance eliminates between one-third and one-half of the mechanical parts found in conventional typewriters and results in a machine which will sell in the U.S., according to Smith Corona, for $900, about one-half the price of comparable electronic typewriters offered by IBM, Xerox or the QYX unit of Exxon.

It also opens the possibility of a major design change for teleprinting equipment. The new machine is expected to be available in the U.S. later in the year.

For the Smith Corona Corporation, which this autumn has been locked in a fresh and bitter management battle, the ultrasonic typewriter is an important boost after a long period of trouble in the field of office equipment.

It is still the leading U.S. manufacturer of portable typewriters, but it dropped out of office copiers earlier this year.

The key new element in the typewriter is an ultrasonic rod located beneath the keyboard. This is a thin steel bar with teeth corresponding to positions on the keyboard. When a key is touched, the appropriate tooth is struck, generating ultrasonic waves which move towards each end of the rod where electronic sensors are located.

Because of the differing distance the waves have to travel, different waves reach the sensors at different times. The characteristics of the waves also depend on the shape of the tooth which has been struck.

The typing head contains a microelectronic chip which identifies the time differences and the characteristics of the signals from each end of the rod.

The new machine has a number of other features.

● A memory correction system which can erase any part of the last 10 characters which have been typed.

● A memory system which can compensate for bursts of typing speed of up to 800 words a minute.

Other features of the machine are a cassette ribbon that can be easily fed into the machine, and easily changed printwheel system, electronic tabulation and a storable page format which automatically sets margins and tabs at their most used positions.

Called the "Typetronic," the machine has been developed over the past four years at the Smith Corona laboratory at Danbury, Connecticut, and Cortland, New York. It is relatively small and light, measuring 6.6 in high by 16.6 in deep and 17 in long. It weighs 22.7 lbs.

● ENERGY

Fuel from garbage

BY DEBORAH PICKERING

A THAMES-SIDE eyesore on the south bank of the river at the old Wandsworth gas works site is just one of the pains contributing to the Greater London Council's discomfort—its massive headache is a £33m annual bill for disposal of the capital's garbage.

Earlier this month I reported how the Dutch have found where there's muck there's money, in the start of Europe's first major recycling plant in Holland.

Since the GLC men, and I returned to the UK from investigating the Netherlands installation, a City consortium has come up with proposals to cope with the metropolis's effluence, and also offers a valuable end product, suggesting the Wangas site as the pioneer venue for the exercise.

The end-result of London's muck could look like a heap of London soot—a dry, grey-black powder called Eco-Fuel, a ton of which is said to provide as much energy as two-thirds of a ton of coal, or a barrel and a quarter of oil—yet costs far less than either.

It is the charred powder end-product of a process involving the sorting, grading, size-reduction, metal separation and embrittling of ordinary domestic refuse.

The process was developed in the U.S. by Combustion Equipment Association Inc., as a way of reducing the cost of domestic refuse disposal by extracting and marketing the valuable fuel content rather than simply burning it to waste.

Consistent in composition (and low in ash) the product can be burned as Eco/Fuel coal or Eco/Fuel oil mixture, and is said to be a viable source of energy for many boiler installations with appropriate modifications.

Its thermal value averages 8,000 BTU/lb — boiler coal averages 12,000 BTU/lb and fuel oil 18,000 BTU/lb.

The thermal value of other refuse derived fuels (RDF), unprocessed or partly processed and pelletised, may well be as low as from 4,500 to 5,000 BTU/lb — they are also harder to handle, and their moisture, usually around 25 per cent and likely to increase with storing, makes for storage problems.

Generally, they can only be burned in specific types of boiler installations and produce around 25 per cent ash, says Eco-Power Consortium, 76 Cannon Street, London, EC4 (01-236 0824).

"The advantages of cutting coal or oil bills by mixing with *the far cheaper Eco-Fuel can* hardly be ignored," says Lord Morris for the company. "We are thinking especially of medium sized electricity generators, industrial users such as foundries, the cement and brick industries, hospitals and other institutions."

He added that there is an obvious value for the use of the fuel in the Eco-Fuel plants themselves.

As the supply is constant, the most likely customers will be regular rather than seasonal users, and would need to make Eco-Fuel a significant part of their overall fuel consumption if it is to have a marked impact on their total fuel bill.

Most efficient method of collecting and disposal of refuse is one which combines lowest cost with least hazard to the environment. In practical terms this means minimising road journeys (in Holland there is now a bill being passed which will prohibit the transportation of refuse from one province to another), noise, dust, odour nuisances — and the avoidance of pollution of the ground, rivers and atmosphere.

● MATERIALS

New metal treatments

NEW metallurgical chemicals for the treatment of aluminium, zinc and copper-based alloys have been announced by Morganite Crucible.

There are 14 new cover fluxes for aluminium alloys to be marketed under the brand names Morclens Cover and Morclens Magcover together with six metal refiners and grain refiners.

For copper alloy casting, the range includes a variety of fluxes under the names Coral Cover and Cutec. Morganite Crucible is on 0905 355631.

● HANDLING

Truck has built-in forklift

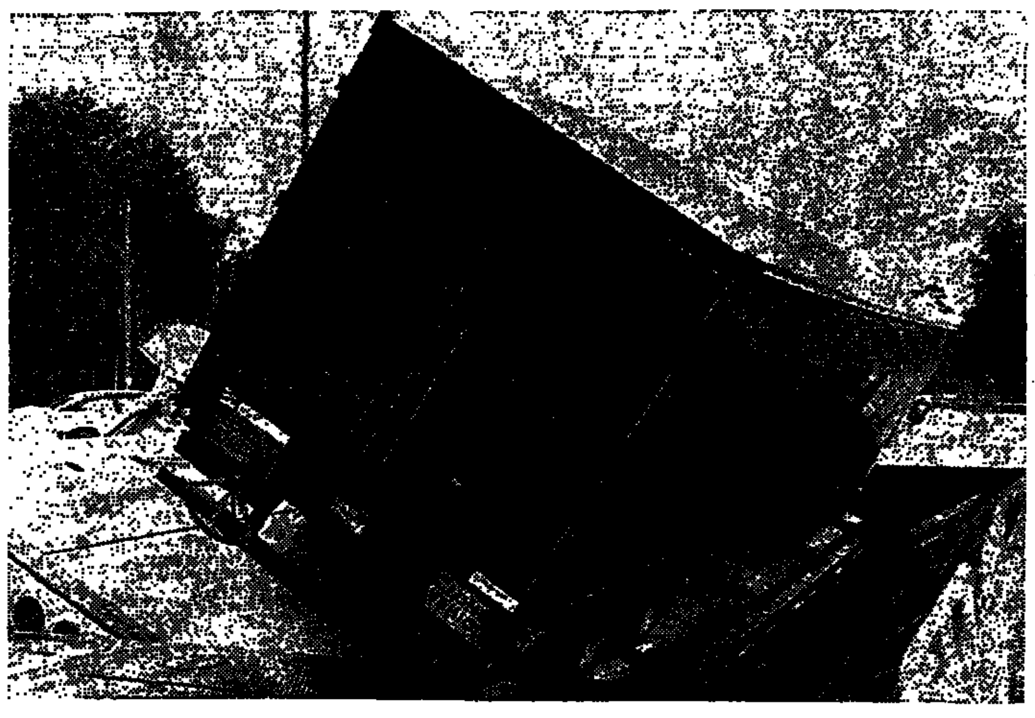
DEVISED by a company in Guernsey in the Channel Islands a fork lift system which can be built-in on any front wheel drive road vehicle seems to offer many advantages to those who lift, shift and deliver goods. The forks operates within the body of the vehicle and are controlled from the driver's seat.

Vehicles fitted with the system can be used for handling and transported pallet loads, handling skips or reels of cable and many tasks that might otherwise call for the use of a separate conventional fork lift truck.

Loading of palleted goods is achieved by backing the vehicle up to the load, adjusting the forks to engage in the pallet and continuing to back until the load is just forward of the vehicle's rear wheels.

A detachable "deck" can be placed over the forks to enable unpalleted goods to be rolled on. There is also a detachable tailgate which completely encloses the vehicle's body and the goods it is carrying. Lockers running on either side of the body can be used for carrying tools, ropes and other gear.

The company says it has tested eight units under working conditions and covering 90,000 miles without making any adjustments to the lifting gear. Full details can be obtained from Engineers (Guernsey), Les Rondlaux, St. Peters, Guernsey, Channel Islands.



Lawrence David of Peterborough claims to have developed a polyester-weave curtain for opensided truck bodies that is so strong that it could hold the whole weight of the load being carried. Here, a trailer carrying a 20-ton load is seen tilted at an angle of 35 degrees. The curtain is called Armoursheet and will be offered as an option on the Trac-Cess curtain-sider bodies made by Lawrence David. Additionally, an Armoursheet service is being started so that existing curtain-siders of any make, can be brought up to full load-bearing capability and also meet the British Standard for load restrain webbing.

● CATERING

Curl on sides gives strength

ALTHOUGH LARGE, deep aluminium foil trays seemed an excellent idea for cook-freeze applications, some of us have been on the sticky end of food seepage—especially when the containers have made a second trip from kitchen to deep-freeze.

Defect is in the outer rim which has to close over the "lid" — and the containers' bases have not always been as robust as they should be.

Bowater has tackled the problem with an interrupted vertical curl (IVC) rim which eases lidding and opening of its 9¼ inch square container. This style has a vertical flange at the corners with a rolled edge on the straight side and closure is effected by bending the ide flanges over a board lid.

Complete revamping of its existing bulk catering tray also includes extra embossing to the base to frustrate flexing prior to lidding or after removal of the cover.

Drop-in lid has also been redesigned to give a tighter fit to reduce risk of seepage.

Partnering the new bulk tray is a new 9 inch foil plate which is suggested for desserts.

Both containers will be on show on the company's stand at the Fast Food Fair in Brighton next month.

More from Bowater Foil and Paper Products, French Street, Sunbury-on-Thames, Middx (061 432 0691).

● PROCESSING

Cuts strip to required lengths

MATERIALS up to 6 cm can be cut automatically into lengths ranging from 1 to 999cm by an electronic guillotine now being marketed.

It is suitable for cutting webbing, tapes, cable and wire, and many kinds of strip material as is used in sports equipment, footwear and travel goods industries.

The machine is programmed by means of push buttons and a visual display and the material feeds in from reels. It is quite small, weighs, 19 kg and needs only a standard 240 volt power supply.

The company marketing the machine, Scan Relations (UK), 75 Trafalgar Road, Southport, Merseyside PR8 2NJ, says that because of its small size the machine could be readily used by outworkers.

● HAND TOOLS

Makes wire stripping easy

LIGHTWEIGHT WIRE stripping pliers needing minimum hand pressure and said to be ideal for use in production line assembly, manufacturing and for site work, are introduced by Eric H. Bernfeld, PO Box 111, 17a, The Broadway, Potters Bar, Herts. (0707 43619).

Operation simply involves placing the wire or cord in the cutter hole of matching cross section, then squeezing the plier handles so that in just one movement the insulation is cut cleanly.

● COMPUTING

No problem finding the right key

VIEW TAKEN by Computer Ancillaries of Egham (Egham 36455) is that input speed is the "real governing factor" behind high output in word processing.

So it has introduced to the market the Bellcom 80 machine at £5,900 on which the keyboard is nearly identical to the IBM Selectric which is familiar to typists all over the world. The print quality is said to be of the same standard. In addition, the function keys are grouped logically for the touch typist and there are no complicated codes to remember.

A large display size has been used and while the screen is being used for input or correction the *printer can simultaneously print* an entirely different text.

No end-of-line hyphenation is required and margins, indentation, spacing underlining, bold type, centring and pagination are automatic through simple commands.

This machine will find any word or phrase and replace it with something else, hundreds of times in a few seconds, and its own memory can hold up to 25 pages, with a further 200 on disc.

Honeywell sets rules

HONEYWELL, the U.S.-based computer manufacturer, has finally announced the rules it intends to adopt to connect computer systems together — its "networking architecture."

The array of rules and protocols is called Distributed System Architecture. It compares with IBM's Systems Network Architecture, Burroughs Network Architecture, ICL's Interacting Processor Architecture (IPA) the Xerox Ethernet and the Datapoint Attached Resource Computer (ARC).

JOBS COLUMN

A game, yes—but not for careless players

BY MICHAEL DIXON

BE STRAIGHTFORWARD! I wish I had a fiver for every professional recruiter who has replied with that advice when asked for tips on being a successful job-candidate. And in exemplifying the importance of straightforwardness, all of them have emphasised a particular point.

It is that, when applying for a job by letter or on an application form, candidates should never avoid telling the truth if the recruiter has a chance of checking on the answer later.

This is not a warning merely against positively lying, such as claiming paper qualifications which are not in fact held. Incidentally, while that may seem too obviously stupid a mistake to be made by any sensible human being, recruitment consultancies which check on qualifications (and most do sooner or later) evidently find that about one in every eight such claims is false.

The warning applies also to any temptation to hedge about your age, or to leave out of account any experience of failure and so risk having discrepancies in your career record which canny questioning will expose. While acknowledging age and/or failure may reduce your chances of being appointed, it still leaves you with a chance. Whereas if you are detected in a falsehood during the subsequent stages of selection, you will have no chance at all.

But the near certainty that the foregoing little homily has been endorsed by the recruiting fraternity with solemn hear-hears, chimes oddly with something I have just heard from Jim Kennedy, who runs *Consultants News* in the United States.

He has lately been examining the career outlines supplied by numerous professional recruiters for publication in a U.S. directory of headhunting consultants. And by supplying such outlines to a directory which circulates among prospective clients, of course, the consultants were to all intents and purposes applying for a job. Well then:

Of the 558 people who provided self-descriptions, Jim Kennedy reports, rather more than one in five declined to give *their date of birth. Moreover,* 43 per cent of them left noticeable gaps in their career *record!*

Whether this means that some professional recruiters are at heart just *normally human* like the rest of us, I would not like to speculate. But I suspect it does mean that many of them recognise that, when it comes to trying to get a job, straightforwardness is not always the best policy on the candidate's part, no matter how convenient it might be for the recruiter.

That would definitely be the judgment of one Tom Carew *who when he is not cycling recklessly* around London, spends his days running a company called Percy Coutts. It is a company which might best be described as a redundancy-counselling concern, were not the word "redundancy" worse than blasphemy to its somewhat idiosyncratic chairman. "Remember," he tells each and *every student at his job-finding* academy, "you are not redundant until you are in your coffin."

Flattery

Another thing he supplies to his students is a set of booklets, one of which is entitled *Interviews and how to win them.* And I fear that if it were read by job-applicants committed to the principle of straightforwardness, they would experience a severe culture-shock. For the approach it recommends to interviewees is *patently a mixture of flattery* and well rehearsed deviousness.

"What appeals to you about *this job?" goes one of the 150* commonly asked questions which Mr. Carew puts in the *mouth of the booklet's interviewer.* The response recommended to the candidate is: "The company, its management style, its reputation etc. Flattery pays."

"What is your strongest attribute in management terms," the recruiter demands. "The skills he appears to be looking for," Coutts's chairman suggests.

". . . and your weakest?" the interviewer goes on. "Anything which has no relationship to the present vacancy," advises Tom Carew.

He also acknowledges, of course, that candidates over 50 or even approaching it are especially likely to find that the recruiter stops asking questions and starts raising objections, perhaps saying: "To be frank, you are too old for this position."

As a general strategy here, the booklet recommends the sales specialist's dictum that what the prospective customer raises as an obstacle is more than often an opportunity for skilfully closing the sale. In the particular case of the objection to age, the recommended response is a counter-challenge. Perhaps "On what count do *you say that?,"* or "Are you equating age with enthusiasm?," or "Some of the *benefits* I will *bring to this* job will consist of experience gained since I was X years old."

But once a candidate has been placed in this make-or-break position, Mr. Carew thinks, the outcome will not depend on words alone. "This is where you need real perseverance."

To applicants who are out of work, and find the interviewer *harping on it, the booklet's* prime advice is evidently: do not be trapped into volunteering unnecessary information liable to reinforce the recruiter's prejudice. For instance, the fact that someone asks "*To what do you attribute* your present job-hunting problems?," does not mean that he or she *has any real evidence* for believing that you have such problems.

If it is obvious you have them, however, the recommendation is to say, quite honestly: "It is a difficult market and I am being choosey," and follow this up with a touch of the prescribed flattery about how well the job in question has been presented.

But before any readers decide to follow Tom Carew's advice and treat interviews not as an occasion for straightforward self-revelation, but as a game requiring intricate cunning, they should heed two warnings.

The first is never to play the game carelessly, as witness the booklet's salesman who replied *to the question:* "Do you mind a lot of travel?" with "No, I enjoy it." Closing the candidate's file, the interviewer answered: "Why, then, do you not become a bus conductor?"

Had the applicant put in the necessary advance thought and other preparation, he would have said something like: "It is a part of the job and I am used to it," and perhaps gone on to say that *time spent driving* allowed him to think about the best way of handling the next call.

The second warning is against responding to interviewers' questions with model answers such as might be learned from booklets like the one from the Coutts consultancy. If the interviewer also knows the *model, you will be confirming* that you are being unstraightforward—and to do that is the reverse of being cunning. And even if the interviewer doesn't know the model, it is likely to sound suspiciously *out of* character. Your own words, however relatively lustreless, will usually be more productive.

Take for example the question once asked by a personnel manager, which is cited by Tom Carew: "My weakness is pinching pencils, what is yours?"

The Jobs Column has decided that it would try to deflect the query by replying: "Well I suppose someone *in* your job must always be able to draw the line."

That is not, of course, in the same league as Mr. Carew's solution, which *is:* "Leaving 'em around to be pinched." But at least it's my very own, and it is hereby patented.

International Finance Executives for United States

£19,000-£23,000+car

The expansion plans of Midland Bank International Division include the increased exploitation of business opportunities in the United States, for which International Finance Executives are needed.

Operating initially from London, their role will be to develop further the Bank's international corporate business in the United States and they will be capable of marketing the Bank's financial services at the highest levels in a highly competitive environment.

Ideally in their thirties, *the successful candidates* will have had experience of operating in the United States or at the least acquired a close familiarity with *the American* business environment and financial institutions. They will need to demonstrate a good understanding of international banking, and the qualities of initiative, enthusiasm and perseverance which have enabled them to achieve success with corporate clients.

All applicants should be able to illustrate their ability to negotiate directly with senior financial directors and must be eager for the challenge and stimulus of a role which presents excellent opportunities for substantial progress in a diversified banking group.

Applicants should also be prepared at a later stage *to relocate to the United States if required to do so.* The posts carry the benefits *normally associated with* a progressive bank.

Applicants should write providing concise personal *and career details to:*
Mr. G. C. Castle, Controller of Personnel,
Midland Bank International Division,
Suffolk House, 5 Laurence Pountney Hill,
London, EC4R 0EU.

Midland Bank International

Financial Controller

c£11,000+car Luton

Our client, E. Leitz (Instruments) Ltd., is a major German *supplier of scientific optical equipment* and photographic equipment, which includes the Leica camera, to the UK, operating from its Luton head office. The present Chief Accountant will be retiring at the end of 1980, and the company wishes to appoint a Financial Controller/Company Secretary to take over and develop his role.

The main responsibilities of the new position will be the control of the accounts function, production of financial information for management including budgets and forecasts, development of computer based accounts and the company secretarial function. There is a staff of four.

This position is likely to appeal to young men or women who feel that with several years' post qualification experience *outside the profession they are* ready to take on a role which involves them as part of the management team. Candidates should be competent accountants with experience in all the areas listed above. Exposure to computer modelling would also be useful.

Salary will be c£11,000 and other benefits include a company car and a contributory pension scheme.

Please telephone or write for a job specification and application form quoting ref. 1302 to:

Anne Knell,
Binder Hamlyn Fry & Co.,
Management Consultants,
227/228 Strand,
London WC2R 1BZ.
Tel: 01-353 5171.

Senior Tax Accountant

International Banking

Bank of America, the world's largest international bank, is seeking a Senior Tax Accountant to join its Europe, Middle East and Africa Division, based in London.

The successful applicant will be responsible for the preparation, submission and agreement of U.K. corporation tax computations for the Bank, its subsidiaries and affiliates. Responsibilities will also include providing tax and financial advice on banking transactions, reviewing local tax procedures for overseas branches, and advising on the structuring of the Bank's subsidiaries.

Candidates must have an ACA or similar professional qualification, supported by at least five years' international corporate tax experience, preferably gained with a large firm of accountants or a multinational organisation. A sound knowledge of double taxation treaties is essential. Experience in a financial institution and an awareness of U.S. tax laws would be an advantage.

Personal qualities of initiative and self-motivation are considered particularly important, as this position is largely unsupervised and will involve substantial contact with senior management.

A competitive salary will be accompanied by an attractive benefits package, including low interest mortgage, car, non-contributory pension and free BUPA.

Write, in strict confidence, with full personal, career and salary details to:—
A. J. Tucker, Recruitment Officer, Bank of America, 25 Cannon Street, London EC4P 4HN.

BANK OF AMERICA

ACCOUNTANT REQUIRED

by large insolvency practice in the City to take charge of extremely busy accounts department.
Able to direct and control staff of approx. 50.
Attractive salary.

Write Box S.4912.
REYNELL & SON LTD.
Eldon Chambers
30-32 Fleet Street,
London EC4Y 1AA

Adviser to & Acting General Manager
Housing Bank – Bahrain
from £18,000 currently Tax Free

To play a leading role in establishing and managing the Bank. The main activities involve the granting of housing loans, the funding of development schemes and other financially related matters. A substantial turnover in excess of US $200M is envisaged in the next three years.

Duties will include the formulation of Bank policies, budgetary control, processing of loan files, investment of Bank funds, personnel recruitment and co-ordination with other Bahrain national financial institutions. Negotiations for the provision of short and long term loan facilities are also part of the responsibilities.

Candidates shall ideally be educated to a higher degree level (MBA or equivalent) and preferably AIB, with experience in managing a bank, financial institution or building society. Familiarity in management systems and computerised records as well as the ability to train Bahraini staff is desirable.

Knowledge of Arabic, though not essential, would be an advantage. Fluency in the English language, both written and spoken, is of prime importance.

This position, on bachelor or married status, is open to applicants who are willing to relocate to Bahrain for a minimum period of three years and carries above average conditions reflecting the importance of the appointment.

Initial interviews will be conducted in London during the week commencing 27th October 1980.

Please telephone A. J. Hakim, adviser on this appointment, who will be pleased to give you further details in strict confidence.

ACA Consultants Limited
Management & Recruitment Consultants
Princes House Suite 407, 39 Jermyn Street, London SW1Y 6DT
Telephone 01-734 9035 Telex 25116

Foreign Exchange Consultant with Asian Expertise

Chemical Bank, a leader in the field of foreign exchange exposure management consultancy, seeks an exceptional individual to join its newly formed Tokyo group. The professional we select must be able to make an *immediate* contribution to the group's efforts.

A substantial background in foreign exchange trading and/or advisory work including forecasting of exchange and interest rates is required. Command of a major Asian language is essential, as well as the ability to express complex ideas clearly in English. Graduate degree in International Economics/Politics (ideally with a specialization in Asian studies) coupled with several years of relevant experience are a prerequisite.

A brief period of time will be spent in New York prior to assignment in Tokyo to achieve close familiarity with the group's work internationally, thereafter substantial Asian travel *will be involved.*

Remuneration will be in keeping with the demands of the position.

CHEMSPHERE SM

Please submit resume with full particulars to: Mark Borsuk, Managing Consultant, Tokyo Branch, 3-1 Marunouchi, 2-Chome, Chiyoda-ku, Tokyo 100, Japan.

Equal Opportunity Employer M/F

Pensions Manager

London to £20,000

A major industrial group seeks a Pensions Fund Manager, who will be responsible for all aspects of administration for funds currently standing at approximately *£300 million, including* policy, planning and liaison with both external advisors and employee/membership representatives. There is scope to make a personal impact on the efficiency and standing of the operation.

Candidates must have relevant experience heading (or deputising in) a similar major fund. Age is not material, *but 35 to 50 is the preferred range.* Some evidence of academic application and attainment, i.e. a degree or professional qualification, is desirable.

For full job description write in confidence to John Courtis at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our clients requirements, quoting 7059/FT. Both men and women may apply.

John Courtis and Partners

Commercial General Manager

London c. £16,000

International Military Services is a British Government owned company, engaged in the supply of defence equipment, technical support and major engineering projects for overseas governments.

As a result of increased company *activity, we now wish to appoint additional General* Managers who will report to the Director of Commercial Division. They will advise operating divisions on the commercial and contractual aspects of bids, assist in or conduct the negotiation of major contracts with both customers and suppliers and ensure that sound commercial practices are developed and maintained.

Applications are invited from men and women who have wide commercial experience and have held relevant posts at a senior level in technically based companies. A knowledge of company finance and ECGD insurance is essential. An appropriate professional qualification would be *an advantage. It is unlikely that* anyone under the age of 35 will have had sufficient experience.

Benefits include a non-contributory pension scheme and free BUPA membership.

Please write with full particulars to Mr. P. M. Cross, Personnel Manager, International Military Services Ltd., 4 Abbey Orchard Street, London SW1P 2JJ.

IMS International Military Services Limited

INTERNATIONAL LAWYER

Monsanto, a major multinational corporation in the plastics and chemicals industry, has an immediate need for a lawyer at its European Headquarters in Brussels.

The ideal candidate will have from 5 to 10 years experience, preferably in an international law firm or corporation.

Superior academic credentials plus proficiency in English is a must. In addition, good knowledge of German and French will be appreciated.

The position which involves some travel within Europe, commands a competitive salary and fringe benefits and offers good career opportunities.

Please send your application with details, preferably in English to Mr. J. Verlinden, Personnel Manager, MONSANTO EUROPE N.V./S.A., avenue de Tervuren 270-272 - 1150 Brussels, Belgium.

All applications will be handled in strict confidence.

Monsanto

Fred. Olsen Limited

FINANCIAL MANAGER

This International Group, traditionally known for its ship owning activities has successfully expanded to include substantial interests in offshore oil operations.

An opportunity has arisen for an experienced Financial Manager to take responsibilities for Group Treasury, Cash Management, Foreign Exchange, Insurance, Loan and Contract Negotiation.

Applications are invited from men and women aged 28-35 who have banking or treasury experience and an accounting or business qualification.

The post carries an excellent negotiable salary, company car, contributory superannuation, free life assurance and LV's.

If you are interested in this post and have the right qualifications you should write for an application form to:

The Group Personnel Manager, Fred. Olsen Limited,
Blackfriars House, 19, New Bridge Street, London EC4V 6DB.

Finance Manager

Sydney c.A$32,500+car

Hawker Pacific is an international company marketing aircraft, aerospace systems and chemical and pharmaceutical products. It is based in Sydney with operating companies, branches, offices and agents throughout Australia, Asia and the Pacific. It is expecting to achieve sales in 1980 of A$ 60m.

Because of a planned re-organisation and expansion of the company, the need has arisen to appoint a senior finance executive who will be responsible for corporate, financial and accounting services including treasury functions, EDP, control systems and all associated activities expected of a top finance person.

Ideally aged 35-40 the appointed person will be used to supervising qualified staff and working closely with the senior management in a multi-national environment. There are outstanding opportunities available in this fast growing subsidiary of the Hawker Siddeley Group.

Contact John P Sleigh FCCA on 01-405 3499 quoting reference JS/516/FMF

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA *01-405 3499*

GUY BUTLER (INTERNATIONAL) LTD
require

Experienced Link Brokers

Successful candidates are likely to be between the age of 20-25. *Remuneration will be according to experience.*

Please write with full details of career to date to:
Miss Maureen Ormerod, Guy Butler (International) Ltd.
Adelaide House, London Bridge, London, EC4
or telephone 01-623 7758 to arrange an appointment
(All applications will be treated in the strictest confidence)

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

The following are among our more urgent current assignments:—

INVESTMENT/TREASURY £15-20,000	Manager/Vice-President rank, experienced in multi-currency fixed income investment including Foreign Exchange/money market. Age to 45.
INVESTMENT MANAGER c. £12,500	For a leading merchant bank. Several years' fund management experience, both equities and gilts, desirable. Age 27-35.
EUROBOND SALES c. £15,000	Aged 27-32, with bond sales/marketing experience including contact with central banks.
LOAN SYNDICATION to £17,000	Graduate or M.B.A. aged up to 35. Euro-currency loan syndication experience essential, fluency in French preferred.
LENDING MANAGER U.K. c. £15,000	Graduate aged 28-35, fluent in French, with international banking experience including current responsibility for U.K. lending/business development.
SENIOR CREDIT ANALYST c. £10,000	The No. 2 position in the Credit Department of an expanding international bank. Aged 25-35, with five years' relevant international banking experience.
F.X. DEALER £10-12,000	For busy dealing room. Aged 25-30, with several years' spot/forward dealing experience.
RETIRED BANKERS to £6,500	A number of openings for bankers aged 50-60, experienced in Foreign Exchange, Documentary Credits or Accounts.

For further details of these and other opportunities, please telephone Brian Gooch or Paul Trumble.

First floor–entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

An expanding private manufacturing and trading group require a:

Group Financial Controller

(Director Designate)

This EXCITING opportunity is due to the rapid expansion of the company, who have export and confirming offices in Geneva, Paris, Hamburg, Hong Kong, Taipei and New York. In addition they have 11 manufacturing units and considerable business in West Africa. The company's business is wide ranging from consumer goods, to trucks and cars.

This senior appointment demands a qualified accountant with commercial experience ideally gained abroad in an international environment, who has a good working knowledge of French.

The successful candidate will report directly to the Chairman for the financial management of the group. The work will be hard and demanding with extensive travel, sometimes at short notice, however the prospects are excellent.

London Based **Age circa 30** **Salary circa £13,000 + car**

Our client is keen to make an early appointment so candidates should apply quickly, ideally by telephone, quoting RC2.

Robin R Whalley

INTERNATIONAL APPOINTMENTS (LONDON) LTD

(Executive Recruitment Consultants) *Cable: Interappt, London SW1 Telex: 912881*
Greener House, 66/68 Haymarket, London, SW1Y 4RF Telephone: 01-839 1602/3 & 01-839 2831

BUSINESS DEVELOPMENT EXECUTIVE

The Company

Harlequin Enterprises, a Toronto based international publishing company, whose UK Subsidiary is Mills & Boon, has an enviable record of success.

Sales have grown from $8 million in 1970 to in excess of $200 million today—an average growth rate of over 35% per annum.

The Position

The overseas division of Harlequin is now seeking a key executive to report to the Director of Corporate Development based in London.

The job, which will be demanding, will be to identify suitable areas for the expansion and development of the Group's activities. It will involve establishing close working relationships with local operating management, particularly in Europe, and with various financial institutions.

The Applicant

The successful applicant will have a degree or professional qualification, several years industrial or commercial experience, and will have a formal business training, ideally an MBA.

He or she will have had European experience of corporate development activities including market analysis and acquisition searches which ideally they will have taken through negotiation to contract stage.

The expected age range will be late 20's to early 30's and some language capability (especially French or German) would be an asset. Applicants will currently be earning in excess of £10,000.

This is a senior appointment offering excellent career prospects in a rapidly expanding worldwide group. The remunerations and benefits will reflect the importance of the position.
Please apply in writing to:
Ken Hersey, Personnel Director, Harlequin Enterprises.

Harlequin Enterprises Limited

15-16 Brook's Mews, London W1A 1DR Telephone: 01-493 8131 Telex: 24420

Young Chartered Accountant

DOWELL Schlumberger

c.£12,000

This new post presents a significant opportunity to take a positive step towards financial management. The company is a major multinational providing specialised technical services to the oil and gas industry throughout the world. The initial role in investigation and audit is intended to equip the successful applicant with a broad knowledge of the company's operational, commercial and financial activities. Success will be a strong recommendation for early promotion to a more senior financial management position in the UK or overseas. Candidates in their 20s must be Chartered Accountants who have the desire and ability to reach senior management in a demanding environment and should be prepared to spend up to 50% of their working time abroad. Exposure to computer-based information systems and knowledge of a second European language will be an advantage. Initial location is London.

Ref: AA61/7478/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Lazard Brothers & Co., Limited

As a direct result of the continued growth of our investment business we are offering a number of opportunities with excellent career prospects.

Private Client Fund Manager
Pension Fund Manager
Fixed Interest Fund Manager
Investment Research Assistant

Candidates must have specific experience in their chosen field, be educated to degree or equivalent standard, and preferably be aged between 24 and 28.

Suitably qualified men and women should write with full career details, in strict confidence, to:

The Staff Manager
Lazard Brothers & Co., Limited
21, Moorfields, EC2P 2HT
01-588 2721

ARE YOU A LEADING EMPLOYER?

Then you are invited to join a brand new scheme to make London a more stable and attractive city for young people to work in.

Full details from:
ALAN STAMPER
SPARE TIME CLUB
10a The Mall,
London W5 2PJ.
01-567 9411.

MONEY BROKERS DEALERS

Our client is looking to expand both its Sterling and FX Departments, if you have any experience in the above please contact:

Chandos Consultants
01-488 9373

COMMERCIAL/ FINANCIAL DIRECTOR

TELEPHONE CABLES NIGERIA LIMITED

Telephone Cables Limited (TCL), a subsidiary of GEC, has substantial contracts in Nigeria for the planning and execution of telephone cable networks.

TCL has recently established a Company in Nigeria (TCNL) (Telephone Cables Nigeria Limited), with headquarters in Lagos, to develop new and existing business opportunities.

TCNL is now seeking a person for the post of Commercial/Financial Director. The person appointed will have experience of managing a financial/accounting function together with a strong commercial background and a proven record of success in negotiating multi-million pound contracts in a developing country.

The successful applicant would be expected to act as Deputy Managing Director.

The preferred age range is 35-45 and a formal financial qualification is desirable. Younger persons will be considered if they can show that they have the necessary background and experience. Salary and benefits will be competitive with other major companies operating in Nigeria and will include free housing, free medical expenses etc.

Applications with full personal and career history should be sent to:

J. P. WILKS,

TELEPHONE CABLES LIMITED

Chequers Lane, Dagenham, Essex, RM9 6QA
Telephone: 01-592 6611

TCL

Corporate Banking

Agribusiness and Commodities

Continental Illinois Corporation and its major subsidiary, Continental Illinois National Bank and Trust Company of Chicago, is the sixth largest bank in the U.S. with total assets in excess of $40 billion. It offers a full range of financial services around the world through its network of offices in thirty-one countries.

Increased activities in European corporate banking have created a small number of exceptional opportunities for individuals with at least two years experience marketing the products and services of a world-wide financial institution to corporations in the agribusiness or commodities industry. Demonstrable experience in credit analysis and judgement, business development and relationship management are required.

Initial assignments are available in London with subsequent opportunities in most financial capitals of Europe. Successful performance will lead to opportunities on a global scale.

A liberal package of compensation and benefits and full relocation expenses are offered. Qualified applicants should submit a resumé or telephone for an application form to Charles E. Becker, Corporate Personnel Services, Continental Bank House, 162 Queen Victoria Street, London EC4V 4BS, England. Tel: 01-236 7444.

CONTINENTAL ILLINOIS CORPORATION

Continental Illinois National Bank and Trust Company of Chicago

CHIEF ACCOUNTANT

(Director Designate)

A fully qualified accountant is required by a growing and diversified marine company, to be responsible to the Managing Director.

A motor trade background would be an advantage.

A negotiable five-figure salary is offered together with usual fringe benefits.

dpa

Write with full details to:
The Managing Director
Ref: CA/008669
David Pilton Advertising Ltd.
16 Bedford Row
London WC1

Commercial Lawyer

c.£15,000 + car

A new opportunity has arisen within the UK subsidiary of the world's fastest growing computer company. Our products include word processors, computers and their integration into the electronic office.

The role will initially involve all aspects of contract negotiation with large national and multinational corporations plus public organisatons.

We are seeking a qualified lawyer, aged around 30, who has sound commercial experience including proven contract negotiation skills.

You would be based in central London and work in close liaison with our U.S. Head Office.

Our growth will create excellent career prospects and besides the competitive salary and 2 litre car the other benefits include 4 weeks' holiday, pension scheme and BUPA scheme.

If you wish to grasp this unique opportunity send brief career details to:-
Mr T. Edney, Personnel Manager,
Wang UK Limited,
211-217 Lower Richmond Road,
Richmond, Surrey.

Computers and word processors

WANG

Financial Executive

with Board potential

Cheltenham **c. £19,000 + quality car**

This new post is to join the top-team of a fast-growing, profitable company building 1,000 + homes annually, producing a turnover around £25m. The appointment of a FINANCIAL CONTROLLER to enable the present Financial Director to make an even greater contribution to the Group's overall development, provides young finance managers with a rare career opportunity offering genuine Board prospects.

This is no job for a "back-room boy." Representing the Company at all levels, internal and external, is a key part of the job and it calls for a rare breed of accountant—one who has high social skills and who enjoys communicating with non-financial people.

Supported by a small enthusiastic team and responsible to the Financial Director, broad responsibilities will include group cash-flow management, the identification and interpretation of business trends and the development of management information systems.

The top-team is young and aggressive and candidates, male or female, should be in their early thirties with a flair for taking the best business view. Some banking experience may be helpful as would recent experience with small computers, but the overriding requirement is for a gregarious individual who wants to succeed as part of a team.

First class benefits include a Rover 3500 or equivalent, assisted house purchase, free life assurance, sports club facilities and relocation help to this delightful area.

Please write or telephone for application form to:

Richard Fraser, Financial Director,
Westbury Estates Limited,
Westbury House, Lansdown Road,
Cheltenham, Glos. GL50 2JA.
Tel: 0242 36191.

WESTBURY estates

Stockbroker Vacancy

Private Client Management

A vacancy has arisen at a senior level in the private client department of one of the City's leading Stockbrokers. The post has become available as a result of the overseas posting of one of the partners.

The successful applicant will be involved in the management of a group of clients working closely with a partner in the department. Applicants should be experienced stockbrokers familiar with all aspects of private portfolio management and be aged between 25 and 35.

This is an important position in one of the company's major revenue centres. Remuneration and prospects will be commensurate with the importance of the appointment.

Reply in confidence stating companies to which your application may not be forwarded.

David H. Millham
Deputy Chairman
Shandwick Consultants Limited
Warnford Court, 29 Throgmorton Street
London EC2N 2AT

Executive Adviser to The Minister of Housing – Bahrain
Up to £16,000 currently Tax Free

Reporting directly to His Excellency The Minister & The Under Secretary and working closely with various Ministerial Directorates and senior personnel, the Adviser will be concerned with every aspect of the Ministry's affairs, including the development, implementation and execution of Ministerial policies and the drafting of policy documents. The establishment of budgets, and the preparation of detailed reports on both short projects and in-depth studies on a variety of specialised topics leading to development of new policies will also be part of the responsibilities.

The successful candidate should have a BSc or equivalent degree in Management and Administration, or perhaps an MBA with Economics/Financial bias. Fluency in spoken and written English is of the utmost importance. A very high standard of personal judgement, responsibility and initiative will be of major significance.

This is a bachelor or married status appointment, carrying above average conditions, reflecting the importance of the position.

Initial interviews will be conducted in London during the week commencing 27th October 1980.

- Please telephone A. J. Hakim, adviser to the Ministry on this appointment, who will be pleased to give you further details in strict confidence.

A&A Consultants Limited
Management & Recruitment Consultants
Princes House Suite 407, 39 Jermyn Street,
London SW1Y 6DT
Telephone 01-734 9035 Telex 25116

CORPORATE FINANCE

Accepting House **c £14,000 neg**

Our client, a major Merchant Bank, is seeking to strengthen its Corporate Finance team. They require a Chartered Accountant with at least three years' experience in the Corporate Finance field, which could have been gained in a bank or within the profession. He/she will almost certainly be a graduate of a leading university.

Please ring or write to Colin Barry at:

OVERTON SHIRLEY AND BARRY (Management Consultants)
Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP
Tel: 01-353 1884

APPOINTMENTS ADVERTISING

Rate £19.50 per single column Centimetre

THE ROYAL BANK OF CANADA

GLOBAL ENERGY AND MINERALS GROUP

The Royal Bank of Canada has established a Global Energy and Minerals Group to service and expand our financing of energy, natural resource and mining projects worldwide. Our objective is to become further recognised as one of the world's leading energy banks and we have thus formed the Global Energy Group with headquarters in Calgary.

Capitalising on our existing very strong base in conventional gas, oil and pipeline financing, we plan to increase our involvement in other energy-related fields such as oil sands, petrochemicals, synfuels, LNG's, coal and uranium as well as pipeline development programmes.

To accomplish these GLOBAL objectives, our London-based group will be substantially increased. We are looking for skilled professionals with proven technical experience as well as marketing experience. Successful candidates will be required to travel extensively representing the Bank throughout Europe, the Middle East and Africa. While a banking background could prove beneficial it is not mandatory.

We offer an opportunity to become very knowledgeable in the world of finance and to broaden skills on a domestic and inter national basis.

When you succeed... we succeed.

Please write in confidence to:

Mr. J. B. Reynolds
Manager, Corporate Personnel Services
The Royal Bank of Canada, 2 Palace Gate, London W8 5NF

European Controller

Industrial Products c£20,000

A large U.S. corporation has formed certain of its subsidiaries into a new international company. The European Division, which has a turnover of $150m primarily in the manufacture and marketing of rubber-based industrial products, is seeking a *senior financial executive.*

The brief is to provide the financial information and analysis required for the effective management of the region; to control the finance function through the installation and operation of detailed financial planning and reporting systems, mainly computerised; and to ensure tight control at unit level over manufacturing and product costs, cash, inventories and all related accounting operations.

The requirement is a CA, ideally aged 35-40, university graduate with basic industrial management accounting experience which has led to a fairly senior international finance post within a large manufacturing company operating highly developed computerised control systems.

Central London location.

Please write in strict confidence with full personal and career details, quoting ref. 1005/FT, to Philip Smith:

Philip Smith
Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

Financial Controller
Pharmaceuticals - Europe

The Pharmaceutical Division of Fisons Ltd. employs some 2,000 people in the UK and 1,000 based overseas and has a turnover approaching £100m. The Division successfully markets a wide range of ethical pharmaceuticals through eight wholly-owned *subsidiaries in Western* Europe. It is for this major profit sector that we wish to appoint a suitably qualified man or woman as Financial Controller.

In this key role you will provide a financial service to divisional management, advising *subsidiaries* on the control and performance of their individual operations. The appointment is based in Loughborough, but frequent travel within Europe will be necessary.

You should be used to providing creative input to Directors and Senior Management. Ideally you will have had several years' post-qualification experience in a multi-national company in the pharmaceutical or similar industry, with subsidiary operations involvement.

Salary and an extensive range of benefits will reflect the seniority of this post and include relocation expenses to this attractive part of the country.

Please write with full career details to:
G. R. Marsh, Personnel Department, Fisons Limited—Pharmaceutical Division, 12 Derby Rd, Loughborough, Leics. LE11 0BB. Tel: Loughborough (0509) 63113.

FISONS

GRAPHIC ARTS MANAGER
HONG KONG

International publisher seeks graphic arts professional as South-East Asia manager based in Hong Kong. Responsibilities include contract negotiations with suppliers, maintaining quality standards, financial reporting and liaison with distribution agents. Strong graphic arts background is essential and experience in traffic management an asset.

Submit resume and salary history in confidence to:
Box A.7319, Financial Times
10 Cannon Street, EC4P 4BY

APPOINTMENTS WANTED

TOP MANAGER

Director and Chief Executive (40s) with impressive record in manufacturing and marketing products and services in UK and overseas is available to take up a challenging appointment.

Please telephone Hoddesdon (09924) 43137 or, if preferred, write to:
Box A7323, Financial Times,
10 Cannon Street, EC4P 4BY

FINANCIAL DIRECTOR (F.C.A.) of Public Group, 43, wide experience, incl. Europe. Fluent French/German, seeks more challenging position. Write Box A.7324, Financial Times, 10, Cannon Street, EC4P 4BY.

R-H

EDP AUDIT
West London **£ Neg.**

Vacancies exist both in the UK and overseas with this medium sized American corporation for computer audit experts. Specialisation is *necessary either within the profession or industry and the group offers* excellent promotional prospects to top grade personnel. Candidates must be self confident, outward going and capable of dealing with all levels of personnel. Knowledge of programming and up to date auditing techniques are virtually essential.

MANAGEMENT ACCOUNTANT
C. London **£12,000**

Large property management company operating in both commercial and residential fields seeks a very experienced and preferably qualified Management Accountant. Responsible to the Managing Director for the whole accounting function the applicant must demonstrate proven man management skills as well as familiarity and liking for computer based systems. Communicative skills and an ability to interpret accounting information are highly valued in this attractive post.

BORED ACCOUNTANT?
C. London **£12,000 package**

Are you trained in book-keeping and accounts preparation but bored *with accounting? A practical utilisation of such training is in the field of* systems advice. Our client is engaged in the design and sale of software packages to both commercial and professional firms, and it seeks a person who can act in a sales support role. Your ability to help the company grow will be well rewarded.

ASSISTANT CHIEF ACCT.
C. London **£11,000 package**

A well-established firm in the insurance and financial field currently requires an accountant with a proven background in *the finance sector.* The successful candidate is expected to assume the position of Chief Accountant after 12 months. The postholder will supervise a department of 23 staff and be *responsible* for the maintenance of the entire financial accounting system. Applicants should be aged 27-35 years possessing a MBA or relevant degree.

INTERNATIONAL DEALERS
East London **£10,000**

A firm of commodity traders seeks a qualified accountant with foreign exchange or trading experience to become their Company Accountant with complete responsibility for all accounting functions. Staff supervision is a vital part of the job, and, where necessary, you will implement re-organisation programmes. The company's UK office is small, but the environment young and dynamic, offering full job satisfaction to the self motivated.

Lee House, London Wall, London EC2Y 5AS Tel: 01-606 6771

ROBERT HALF
Accountancy & Financial personnel specialists

Executive Officer
Commercial Lending

The above position based in Preston has become available due to the expansion of the Bank's business into Commercial Lending.

Reporting to the Manager—Commercial Lending—the successful applicant will assist with the development of the service and be responsible for the analysis and assessment of lending propositions.

Applicants should be professionally qualified and have a sound knowledge of securities, lending principles and banking practice relating to all types of business.

A current driving licence is essential.

The commencing salary will be commensurate with experience and qualifications and will be in the range £9,663-£11,789. Benefits include house purchase subsidy, non-contributory pension scheme and relocation expenses where necessary.

Applications marked "Confidential" should be submitted to:—

Assistant General Manager (Services Division)
Trustee Savings Bank of Lancashire & Cumbria
P.O. Box 29, The Guild Centre
Lords Walk, Preston PR1 1RE

Closing date: 30th October, 1980.

TSB TRUSTEE SAVINGS BANK *of Lancashire and Cumbria*

Accountant in the City

salary circa £12,000
including profit sharing

A successful organisation, working within the Lloyd's motor insurance market, require a youngish chartered accountant to take full responsibility for the everyday management of its financial functions. The Accountant will be part of a small, highly professional team and the stimulating work atmosphere will provide considerable job satisfaction. As part of a *large group, there will be wide opportunities for future career development* for the successful applicant.

Write in complete confidence, giving details of career experience to date, to the company's professional advisers, for the personal attention of Stuart Rochester.

Neville Russell
Associates
30 Artillery Lane, Bishopsgate, London E1 7LT.

PRIVATE CLIENT ASSISTANT
23-26

This appointment is seen by our client, a highly regarded medium-sized firm of Stockbrokers, as strengthening their Private Client Department. The successful candidate will support the Investment Partners in advising their clientele. She/he is likely to be a graduate with some experience in the investment world, preferably gained with another stockbroking firm. This is a new appointment and offers an opportunity to someone who wishes to demonstrate initiative and investment judgement. A competitive salary will be negotiated: this will include a bonus element.

Please apply: **Jock Coutts, Career Plan Ltd, Chichester House, Chichester Rents, WC2A 1EG. Tel: 242 5775.**

NPA

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DUBAI **c.£25,000+ (Tax Free)**

Our Client, a well-established and fast expanding commercial bank, seeks to appoint a *senior F/X dealer to assume responsibility* for the co-ordination and professional development of its dealing activities.

Ideal candidates, preferably in their late 20's/early 30's, will possess a minimum of 5 years' dealing experience which will have embraced both currency deposits and foreign exchange. Additionally, personal qualities of maturity and presentation are regarded as essential.

This new appointment is a responsible and challenging career opportunity with an initial contract period of 3 years. The remuneration package is extremely attractive and, in addition to the quoted salary, includes car, fully-furnished accommodation and free medical facilities, with 6 weeks' paid home leave per annum.

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He will be involved in placing international bonds with the bank's institutional and central bank clientele. He will have a feel for negotiating at top levels.
A perfect knowledge of English is required. A working knowledge of German or Spanish would be an advantage.

Ref. 341 FT

New Issues

An accomplished negotiator, he will be used to contacts at a high level and will have experience of international bond issues. He will have a perfect knowledge of written and spoken English and ideally of another language (preferably Spanish).

Ref. 342 FT

Syndicated Loans

A specialist in international syndicated loans, he will be responsible for prospecting and servicing clients in a group of countries.
He will speak and write English and Spanish fluently.

Ref. 343 FT

Bond Dealing

The job of this executive officer, who will already have experience in this field, will be international bond dealing.
He will speak fluent English.

Ref. 344 FT

These posts are **Paris**-based.
Candidates must be at least 30 years old and must already have 4-5 years' experience in their field.
Highly motivated, they must have a feel for commercial contacts at top levels.
To competent candidates the bank offers considerable career opportunities.
Please be so kind as to send your C.V, photograph and application, indicating on the envelope the reference which applies, to:

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CHIEF EXECUTIVE

North West c £30,000 + car

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The Division's distribution chain provides almost national coverage to an industrial sector which is showing healthy potential.

The requirement is for an accomplished General Manager who, probably from a marketing base, has proven ability for business building and development, preferably in consumer markets.

The appointed candidate, aged forty to fifty, will be able to demonstrate an incisive logical and creative commercial outlook, allied to inter-personal and motivational skills of a high order.

The salary indication is £30,000 together with a car and appropriate benefits.

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Major Institution

Our client, a major overseas institution with considerable funds under management in London, seeks an additional analyst to complete their investment team.

The successful candidate will probably be aged 26 to 35 with a proven track record in investment research, knowledge of the Japanese market plus concise written and verbal abilities.

The position will involve taking over responsibility for economic, industry and company research and analysis for the management of the Japanese portfolio. Some assistance may also be required with other Far East portfolios.

Remuneration, by the way of salary and benefits, should certainly appear attactive to the right person and prospects within this recently established team are excellent.

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Stephens Associates
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35 Dover Street, London W1X 3RA.01-493 0617

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Ideally the successful applicant would have experience of both the electronics and coal mining machinery sectors although this is not essential.

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A case against exporting

BY W. L. LUETKENS

EXPORTING IN its time has been fun, hard work, vital to survival. . . . Now we may have reached the point where it is dangerous, nay suicidal. What has happened? The chemical plant which the developed world has been selling to other countries has come on stream and is sending back a flood of products.

The European chemical industry, though it is a net exporter by two to one, has been quick to cry "foul." It is resisting plans made by the European Commission to reduce tariff protection against a number of developing countries.

Favours

Its reasoning is simple: the chemical industries of certain developing countries, whose list extends from Mexico to Yugoslavia, from China to Romania, are quite sophisticated enough to dispense with favours. At the same time the European industry is in recession and cannot concede special treatment to competitors.

Simple the argument may be, but it is flawed. The Community concedes its generalised preferences to developing countries not with a view to helping any industry, let alone any entrepreneur. The purpose is to help developing countries to get their external payments in order. Oil prices may have played havoc with the external payments of most industrialised countries, but the blow has been nothing as hard as that suffered by most of the developing world.

Of course there are exceptions: Mexico, for instance, is a developing country with oil of its own; so are the OPEC countries. But they also are heavy buyers of industrial plant, much of it petrochemical, from the industrialised world. The impact of the first explosion of the oil price in 1972/73 would have been much harsher upon much of Europe but for those imports: in 1975/78 OPEC countries bought EEC machinery and transport equipment worth $66bn. Would that have come about if Europe had announced that it did not want the products coming from the new plant?

We in Europe, therefore, may have to tolerate competition even from developing countries which take advantage of their own oil wells to sell themselves feedstock below world price. But, emphatically, that argument does not apply to the U.S. There the price of oil has been held down artificially against the wishes of the administration and of most economists. Turned into feedstock and then into fibres, cheap U.S. oil has swept away much of the profits of the European industry. Coming from a fully developed country like the U.S. that is dumping in fact, whether or not the charge could stick under GATT rules.

Where the others are concerned, Europe had better pull up its nylon socks. The Swiss have shown that you can keep a domestic chemical industry going under disadvantageous conditions by constant innovation and moving into higher added value. The shakeout in ICI's fibres division looks like a painful but sensible step in the same direction.

Inflation

Of course, there is an alternative: stop exporting. You won't be able to afford imports, so you won't have to worry about foreign competitors; the exchange rate, high or low, will no longer bother you; you can live on the food surpluses accumulated by whatever farm policy your country practises; and you won't have to lie awake worrying because cheap imports are slowing down the inflation rate.

The Chinese tried something similar if less drastic in the past. They kept silkworm technology and the secret of porcelain-making to themselves. Even in those slower-moving times it did not last. Prying foreigners cracked the secret and swamped China in turn with cheap willow-pattern ware.

A doubtful vintage in Bordeaux

WINE

BY EDMUND PENNING-ROWSELL

IN THIS column last month I wrote about the prospects for the 1980 vintage. Since then I have visited first the Rhône and then Bordeaux.

The difference between the two areas was marked. In the Rhône the vines were covered with grapes and a normal vintage approaching 2m hectolitres (hl) was predicted; in the Gironde some vines seemed to have a fair crop, though nothing like last year's abundance, while others appeared to have hardly any. The earlier forecast of a 4m hl crop, including the non-appellation *vin courant*, compared with the record 6m hl 1979 crop, was being scaled down as the rain fell on the eve of the very late vintage.

Late picking

The vintage officially began on the 6th, and nowadays there is an official date, a return to ancient practices where a grower who picked before the prescribed date could suffer severe penalties. Today a grower can in theory have his crop de-classified if he jumps the gun, though he may obtain permission to pick early. This year Haut-Brion began picking its small white wine crop on the 1st of the month.

In fact serious picking of the black grapes did not generally begin until the 13th, about as late as any Bordeaux vintage since the last war. (The latest recorded was October 14 in 1956, perhaps the worst vintage in the post-war period.) Although it will be another two weeks before any general preliminary appraisal can be made, it is certain that the crop will be small, and unlikely to be good, although no doubt some careful growers, who make a very severe selection of the wine in their vats, will produce what the French charitably call "an honourable wine."

In this context the divide between honour and dishonour may sometimes seem narrow, but it roughly means Alpha Minus Minus for trying. And there is no doubt that the vignerons of the Gironde will have tried very hard this year.

I left the Medoc as the first gatherings of the Merlot—always the first black grape to be harvested—were being picked in the rain, and one could only feel compassion for the mackintosh-hooded, gum-booted *troupes* of pickers squelching their bowed-back way along the wet, slippery vine lines. It is not always like this, but vintaging is not the carefree exercise that it is often held out to be.

Just as the East London hop pickers of Kent have been superseded by machines, so in the Gironde mechanical harvesters will increasingly replace the Spaniards, gypsies and the local villagers, whose combined forces have alone made possible the harvesting in France's largest fine wine area.

Already there are reported to be 73 mechanical harvesters in the department, the largest number of any in the 27 where they are to be found. Traditionalists may throw up their hands in horror (yet another indication that the rot set in with the phylloxera a hundred years ago?), and it is unlikely that the *crus classés* will easily give up the increasingly expensive, harder-to-secure hand-picking.

However, at Loudenne a week or so ago, I tasted two samples of the 1979 Merlot wine, one made from hand-picked grapes, the other from machine-picked. No clear difference was apparent to me, nor to more professional palates. For machine-picking, it is unnecessary now to plant vines in a particular way provided that the lines are not too close together.

In the very well-kept vineyards of Loudenne, the Bas-Médoc estate that Gilbeys bought as long ago as 1875, the vines are two metres apart, though a more traditional separation is nearer one metre. The machines can now operate in a space down to 1.3 metres, and are said to be particularly effective in a difficult vintage like this year's.

The difficulty really began in the Gironde as a result of the wretched spring, and the delayed, prolonged and irregular flowering of the vine. Most affected was the Merlot, which is more precocious than the Cabernet - Sauvignon and Cabernet-Franc. This grape is predominant in St-Emilion and Pomerol, and therefore the prospects for the crop there are particularly poor, and in the Médoc and Graves it could affect the balance of the wines. The flowering was no less irregular in the Sauternes, where the picking is usually late, and where the variation in maturity in the closely-knit bunches may lead to rot.

The delayed flowering naturally resulted in a later colouring of the grapes, the *veraison*, after which the vintage is broadly taken to begin in about 45 days' time. Nevertheless, in August and September, Bordeaux experienced wonderful weather conditions. Rainfall and temperature comparisons for August and September shown me at Mouton-Rothschild, demonstrated extraordinarily little difference between the successful years of 1978 and 1979 and this one.

In August the rainfall was even less than in the two previous years, and the average temperature little lower than in 1978 and higher than last year. In September the higher rainfall this year all occurred in one big storm about the middle of the month, the average temperature was higher than in either earlier year, and there were 18 days when the temperature was at least 30 degrees C.

Under these circumstances optimism prevailed. All that was needed was a fine October, a tall order in the Atlantic climate of the Gironde—but it happened in the three previous years and saved the vintage. Yet, as already mentioned, it started to rain on the 7th and continued throughout that week; and there has been only intermittent improvement in the past week. Now one must wait and see.

How will all this affect the commercial side of Bordeaux? Will the prices of the 1979s rise sharply? This seems unlikely, with the possible exception of those wines—the first-growths and popular seconds and their peers—that are specially subject to speculation. For a great deal of 1979 claret lies in the growers' and co-operate cellars. One leading merchant estimated that 50 per cent of the classed growths remained unsold, on top of which there are the merchants' stocks.

The recession and high interest rates have caused buyers, and particularly foreign buyers (including the British), to hold off or buy very sparingly; and at the generic Bordeaux Rouge and Bordeaux Blanc levels prices are not expected to rise in the next six months by more than 5 to 10 per cent: less than inflation.

The merchants, who a year ago were short of stock, now have all they want under present trading conditions. A large 1980 vintage would have been unwelcome, though a small, fine one would always find a market. However, a disappointing 1980 is likely to increase interest in the 1979s.

Minority

Financial conditions rather than doubts about their quality have impeded demand; and there are those in Bordeaux who rate 1979 higher than 1978, though they are in a minority. Those consumers in Britain who have taken up the opening 1979 claret offers of such firms as Harveys of Bristol, Corney and Barrow, Avery of Bristol and Hicks and Don of Westbury are unlikely to regret their purchases of fairly soft wines expected to mature comparatively quickly.

For the record, there were some excellent 1979 dry white wines, and engaging sweet ones. Finally, if 1980 turns out poorly, who can guarantee a good vintage in 1981?

Obrovac may do the trick again

RACING

BY DOMINIC WIGAN

VETERAN SANDOWN specialist, Ryan Price, who landed the Dorking Maiden Stakes a year ago through King James, must be hopeful that Obrovac can again do the trick for him in today's renewal of the mile event.

Obrovac, a once - raced, American-bred colt by Time Tested out of a useful Prince John mare, Counterpart, seems to have been well bought at $20,000 (about £8,333), judged on his October 10 effort at Ascot. There, Obrovac, after drifting ominously from 6-1 to 16-1, failed by just a length to hold the more experienced Shasavaan in the Duke of Edinburgh Stakes. Although the first four home finished in something of a heap, it is likely that the form was not far short of top class for both the third and fourth, the 625,000 gns. yearling purchase, Ghadeer and Newmarket's Spectacular Sky, are both held in the highest regard.

If that run has brought Obrovac to concert pitch, there is little doubt that he will prove a handful for Heighten and Super Service, who seem to be the most dangerous of his opponents. West Ilsley challenger, Heighten, was one of the unluckiest losers of the season when denied a clear run until it was far too late at Salisbury six weeks ago, and he will give his supporters a run for their money barring a similar misfortune.

And 35 minutes after partnering Heighten, stable jockey, Willie Carson, is assured of another good ride, for he takes over on Royal Obligation in the Rookery Handicap.

Royal Obligation's handler, Jeremy Tree saddles a beautifully bred juvenile in the Lyphard colt Danlifar at Leicester, and I am hopeful that a drop in class will see John Reid's mount coming good in the opening division of the Soar Maiden Stakes. An hour later, another smart two-year-old Zaccio can benefit from a similar drop in class in the Wreake Stakes.

SANDOWN
1.30—Marking Time
2.00—Obrovac
2.30—Royal Obligation
3.10—City Link Lad**
3.40—Sword Prince
4.10—Welham Green

LEICESTER
2.15—Danlifar***
2.45—Keeps Going Right
3.15—Zaccio*

TV/Radio

✣ Indicates programme in black and white

BBC 1

9.05 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill At One. 1.45 See-Saw—"Bagpuss." 2.00 You And Me. 2.14 For Schools, Colleges. 3.20 Pobol Y Cwm. 3.53 Regional News for England (except London). 3.55 Play School (As BBC2 11.00 am). 4.20 Undercover Elephant. 4.25 Jackanory. 4.35 Play Away. 5.00 John Craven's Newsround. 5.05 Screen Test. 5.35 The Amazing Adventures of Morph.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.45 The Tuesday Film: "Donovan's Reef," starring John Wayne.
8.30 Forgive Our Foolish Ways . . . a love story by Reg Gadney.
9.00 News.
9.25 Play For Today.
10.50 Best Of British.
11.20 News Headlines.
11.22 Amateur Boxing: George Wimpey ABA Centenary Multi-Nations Tournament.

All Regions as BBC1 except as follows:

BBC Cymru/Wales—11.38 am-12.03 pm Dechrau Siarad. 3.15-4.10 Centenary Rugby: Llanelli v New Zealand. 5.05-5.35 Bilidowcar. 5.55-6.20 Wales Today. 6.45 Heddiw. 7.10 Pobol Y Cwm. 7.40-8.30 Bonanza. 11.22 Centenary Rugby: Llanelli v New Zealand (highlights). 12.05 am News and Weather for Wales.

Scotland—10.38-10.58 am and 11.38-11.58 For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 12.10 am News and Weather for Scotland.

Northern Ireland—10.38-10.58 am For Schools (Ulster In Focus). 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 10.50-11.20 Spotlight. 12.10 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

10.00 am Your Own Business.
11.00 Play School.
11.25 Speak For Yourself.
2.30 pm The Past At Work.
3.00 Behind The Scenes.
3.30 The Living City.
5.10 Golf: 11th Lancome Trophy from St. Nom La Breteche, France.
5.55 Snooker: State Express World Challenge Cup.
6.50 Schools Prom.
7.20 Mid-Evening News.
7.35 Roots Of England.
8.05 Shakespeare In Perspective.
8.30 Top Gear Turns Back The Clock.
9.00 Butterflies.
9.30 Man Alive.
10.20 Snooker: Highlights.
10.45 Newsnight.
11.30 Snooker: Highlights.

LONDON

9.30 am Schools Programmes. 12.00 Paperplay. 12.10 pm Pipkins. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Take The High Road. 2.00 After Noon Plus. 2.45 General Hospital. 3.45 Food, Wine and Friends. 4.15 Get It Together. 4.45 Smith And Goody. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Meet Janet Brown.
7.30 Here Comes Channel 8.
8.30 Arthur C. Clarke's Mysterious World.
9.00 Strangers.
10.00 News.
10.30 Second Opinion.
11.30 Paris.
12.25 am Close: "Sit Up And Listen" with Kingsley Amis.

All IBA Regions as London except at the following times:—

ANGLIA
12.30 pm The Riordans. 1.20 Anglia News. 6.00 About Anglia. 7.00 Fire-House. 11.30 Kaz. 12.30 am Themes.

ATV
12.30 pm The Riordans. 1.20 ATV News. 5.15 Survival. 6.00 ATV Today with ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 11.30 ATV News. 11.35 Baretta.

BORDER
1.20 pm Border News. 5.15 Survival. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 11.30 KAZ. 12.25 am Border News Summary.

CHANNEL
12.30 pm The Riordans. 1.20 Channel Lunchtime News. 5.15 Doctor Down Under. 6.00 Channel Report. 7.00 Survival. 10.28 Channel Late News. 12.25 am Commentaires et Previsions Meteorologiques.

GRAMPIAN
9.25 am First Thing. 12.30 pm The Riordans. 1.20 North News. 5.15 Emmerdale Farm. 6.00 North Tonight. 7.00 The Electric Theatre Show. 11.30 Reflections. 11.35 Quincy. 12.30 am North Headlines.

GRANADA
12.30 pm The Riordans. 1.20 Granada Reports. 5.15 Diff'rent Strokes. 6.00 Granada Reports. 6.30 This Is Your Right. 7.00 Emmerdale Farm. 11.30 The New Avengers.

HTV
12.30 pm The Riordans. 1.20 HTV News. 3.45 Stars on Ice. 5.15 Super Rabbit. 5.20 Crossroads. 6.00 Report West. 6.30 Definition. 7.00 Emmerdale Farm. 10.25 HTV News. 11.30 The Practice.

HTV Cymru/Wales—As HTV West except: 9.30-9.45 am Mwy Neu Lai. 12.00-12.10 pm Trehetiau. 4.15-4.45 Doctor Snwkwl. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.30 Nos Fawrth o Glwyd. 11.15-12.15 am World in Action.

SCOTTISH
12.30 pm The Riordans. 1.20 News and Road and Weather. 1.30 Against the Wind. 5.15 Emmerdale Farm. 6.00 Scotland Today. 6.20 Job Spot. 6.30 What's Your Problem? 7.00 Take the High Road. 11.30 Late Call. 11.35 Our Little Town. 12.05 am Barney Miller.

SOUTHERN
12.30 pm The Riordans. 1.20 Southern News. 5.15 The Undersea Adventures of Captain Nemo. 5.20 Crossroads. 6.00 Day by Day. 7.00 Emmerdale Farm. 11.30 Polly, Helene and Sue. 12.00 George Hamilton IV.

TYNE TEES
9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 5.15 Diff'rent Strokes. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 11.30 Kaz. 12.30 am Living Together in One World.

ULSTER
1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 11.30 Gardening Today. 12.00 Bedtime.

WESTWARD
12.30 pm The Riordans. 1.20 Westward News Headlines. 5.12 Gus Honeybun's Birthdays. 5.15 Doctor Down Under. 6.00 Westward Diary. 7.00 Mark It. 10.31 Westward Late News. 12.25 am Faith For Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE
12.30 pm The Riordans. 1.20 Calendar News. 3.45 Calendar At Your Service. 5.15 Life Begins at Forty. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 11.30 Cash and Company.

(S) Stereophonic broadcast
‡ Medium wave

RADIO 1

[illegible]

RADIO 2

[illegible]

RADIO 3

[illegible]

RADIO 4

[illegible]

BBC Radio London

[illegible]

London Broadcasting

[illegible]

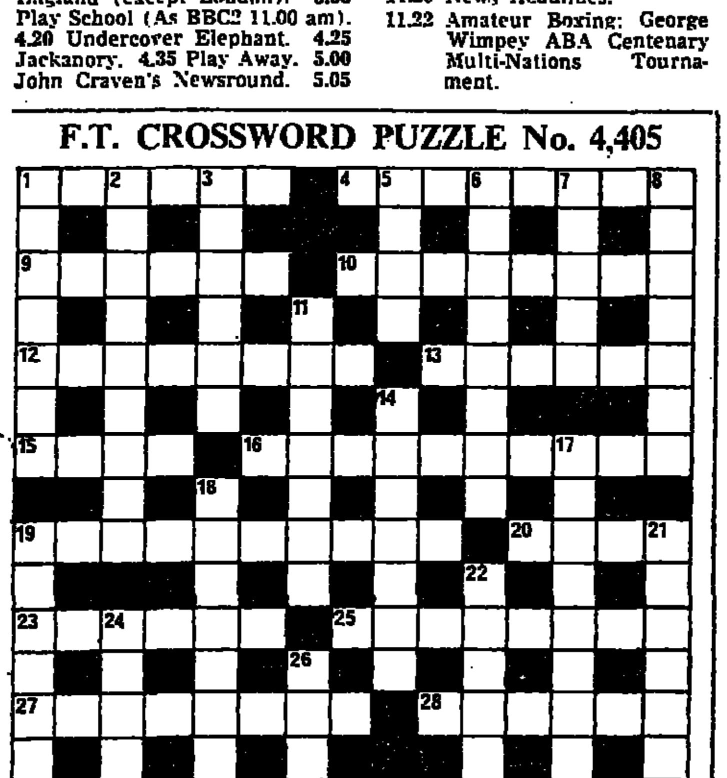
Capital Radio

[illegible]

Radio Wavelengths

BBC Radio London
Capital Radio:
London Broadcasting:

F.T. CROSSWORD PUZZLE No. 4,405



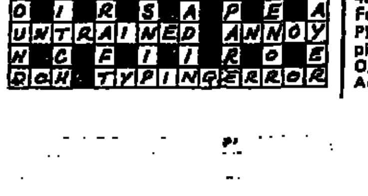
ACROSS

1 The doctors about one can be lazy fellows (6)
4 Buy tea in a bag (8)
9 Start with the unfashionable crowd (6)
10 Mother at home gets something to eat for dinner (4,4)
12 In league with strikers? It is just a gift (4,4)
13 Delay caused by road agent (4-2)
15 Brawn from the West (4)
16 Fatima asked her if she saw anyone coming (6,4)
19 Thin MP used to change in period of depression (2,3,5)
20 Pack the oriental off from school (4)
23 Healthy and well fed, we hear, off and on (6)
25 Fish is about right with lamb for a king's daughter (8)
27 Wet weather for the artist in the autumn (8)
28 Refinement of language (6)
29 Exaggerated, but that is not rare (8)
30 "Set a —— on horseback, and he will ride a gallop" (Burton) (6)

DOWN

1 Seen at Twickenham to disappear (4,3)
2 Keeping time like the copper (2,3,4)
3 Activity which has a ministry and boasts a statue in Hyde Park (6)
5 Part of a natural mountain range (4)
6 Outlines with a French town (8)
7 A pious wish with a note to improve (5)
8 "Built in the —— and rigged with curses dark" (Milton) (7)
11 Fish for a party in the cabin (7)
14 Crushes a relation by marriage (7)
17 What happens when the cashiers go on strike? There's —— (2,7)
18 Snubbed, but brightened up again (8)
19 Deduce the number in Hell (7)
21 We get at her boring topic of conversation (7)
22 A rum unit, unique if it gets out (3,3)
24 Hackneyed liturgy after time (5)
26 Impetuosity obvious in the novel and short story (4)

Solution to Puzzle No. 4,404



ENTERTAINMENT GUIDE

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[illegible]

THE ARTS

Grand Opera House, Belfast

Tosca

by ELIZABETH FORBES

After playing for eight years in cinemas, concert halls and other makeshift venues, Northern Ireland Opera Trust is back where it belongs, in the newly restored and recently reopened Grand Opera House, Belfast. Appropriately enough the short, two-work season is inaugurated with *Tosca*, the last opera to be heard in Frank Matcham's beautiful theatre before it sank into decay from which a fairy godmother—the Arts Council of Northern Ireland—has just rescued it. Many technical problems obviously remain to be solved before the Grand Opera House functions with absolute smoothness; meanwhile a splendid start has been made.

Tosca is produced by John Margulis, in ambitiously large-scale and realistic sets designed by Steven Gregory. The false perspective of the interior of Sant'Andrea just fails to work, but Scarpia's claustrophobic, shabby apartment in Palazzo Farnese and the platform of Castel Sant' Angelo succeed brilliantly in evoking the Roman scene. Mr. Margulis underplays the physical violence of the story, concentrating on the violent emotions of the three main characters. Alun Francis, who conducts the fine Ulster Orchestra, gives Puccini's score a chamber-music clarity of texture without scarifice of its dramatic tension, which he paces unerringly.

Stella Axarlis sings Tosca, avoiding primadonna histrionics. The jealousy of the first-act duet with Cavaradossi is lightly touched in, but there are plenty of generous-toned climaxes in the central scene with Scarpia, contrasted by a gentle, touchingly phrased "Vissi d'arte." As Cavardossi, Benito Maresca offers a well-placed voice with free, ringing top notes, and an ability to convey his feelings for Tosca convincingly. Deceptively mild in appearance and behaviour, Mario d'Anna's Scarpia is no cardboard villain, but plays his game of cat and mouse

Un ballo in maschera, the second opera, is set in the Southern states of mid-19th century America, a time and location well-fitting to Somma's libretto. Mr. Gregory's designs—slatted blinds, curtains and a fearsome gallows-tree—are less elaborate than his *Tosca* sets, but equally atmospheric. Chris de Souza produces, building up Ulrica, a blind Voodoo priestess who presides at the fatal masked ball, into the major symbol of the work. The NIOT Chorus, under-nourished in Puccini, sing with welcome vigour and attack in Verdi, much helped by Lionel Friend, the conductor, who keeps rhythms buoyant and taut.

Francisco Lazara sings Riccardo without much insosuciance—his laughter in the quintet sounds a trifle hollow and forced. But the duet with Amelia is excitingly phrased and projected. Lois McDonall makes an intense Amelia, and her voice rings out with thrilling impactin the gallows aria. Patrick Wheatley's Renato retains sympathy even as an assassin. Mary Gilmore supplies firm line and steady tone for Ulrica's pronouncements. Dinah Harris, a Creole page in lettuce-green trouser-suit, makes a lively, fresh-voiced Oscar. The conspirators are powerfully lead by Sean Rea as Samuel.

Purcell Room

Ireneus Zuk

by ANDREW CLEMENTS

It's a bold pianist who begins a recital with Brahms's F minor sonata. No chance to loosen up the fingers, to ease gently into form: technique is at full stretch immediately to negotiate the opening bars. It was to Ireneus Zuk's credit that he managed to bring considerable excitement to that exposition at the start of his Purcell Room recital on Friday evening. Untidy his playing may have been—clearly Mr. Zuk does not put much store by svelte keyboard manners—but it went on to produce a programme of uncommon directness.

Enthusiasm for the music was communicated infectiously, setting technical problems along the way that moderation could easily have avoided. At the speed Mr. Zuk took it, the coda to the finale of the F minor sonata would have required razor-edged bravura; much of it was spectacularly approximate, but the feeling of breathless excitement seemed authentic. If elsewhere in the sonata too much detail was smudged and defective, the Andante and Intermezzo left short of cantabile and rounded phrasing, the scherzo generated enough élan to suggest that in Schumann also Zuk would find many works to his taste.

As a departure from the ripe romanticism of the rest of his programme, Mr. Zuk included Debussy's *Estampes*. But the change of approach was only partial: there were no mitigating half-shades, no hints of understatement. The *chinoiserie* of "Pagodes" was given bold, primary colours; "Jardins sous la pluie" was rough dug, rather than carefully tended, its figuration clotted.

Two Liszt pieces — the sixth *Hungarian Rhapsody* and "Complainte" from *Glanes de Woronince* — suited such a style, better, robust enough to benefit from forceful, and forced, projection. A rarity also: the two *Legendary Poems*, Op. 12 by Victor Kossenko, who spent the second half of his short life in Mr. Zuk's native Ukraine. Easy to dismiss the *Poems* as Rakhmaninov and water, with darker moments that hinted at Skryabin; but in these committed performances there was a substantial case made out for their occasional inclusion in a suitable context. An enterprising, enjoyable recital.

Arts news in brief

The New Spirit in Painting will be the Royal Academy's major winter exhibition for 1981 opening in the main galleries on January 15 to run for nine weeks.

The exhibition, which will include the work of about 35 artists, is being put together by a team of selectors, consisting of the Royal Academy's exhibitions secretary, Norman Rosenthal, Christos M. Joachimides, well-known German art critic and Nicholas Serota, director of The Whitechapel Art Gallery.

*

Classical music and jazz meet in a tour of six concerts to be given by the Tony Coe ensemble with the Delmé String Quartet as part of the Arts Council's Contemporary Music Network.

Starting at the Round House, London on November 2, the tour takes in Aston University Arts Centre, Birmingham (November 3); Huddersfield Town Hall (November 5), Norwich (November 6), Arnolfini Gallery, Bristol (November 8), and the Royal Exchange Theatre, Manchester (November 9).

Tony Coe, described by The Observer as "... the best jazz clarinettist in the world today," plays the solo saxophone in the music for the *Pink Panther* films and has played with the Fires of London and the London Symphony Orchestra.

He has written the main piece to be played on this tour, *The Buds of Time*.

*

The Old Vic has appointed Adrian Vaux as resident head of design for the company. He will be responsible for the design of all productions, both in London and on tour.

It is the first time such an appointment has been made at The Old Vic in the last three years.

Mr. Vaux comes from the Leicester Haymarket Theatre. He also spent many years with The Mermaid Theatre.

"Mary-Ann" (left) and "Miranda".

Marlborough Fine Art

Kitaj's pastels

by WILLIAM PACKER

Of all the artists who within the past 25 years or so have sprung from the conservatories of the British Art Schools, which despite much prejudice and propaganda to the contrary afford still, as they always have, an excellent seed bed and protective climate for their delicate and infinitely variegated young shoots, none has blossomed so luxuriously and consistently as the American in exile, R. B. Kitaj. He is indeed by now very much one of ours, having made his career, his name and reputation here: and it is entirely on merit that any show of new work by him, even the revealment of a single new painting, has become an event of some considerable importance to the art world.

Kitaj has always been uncompromising in his commitment to figurative composition, and of a particularly literary cast at that: and if at times he has been inclined to parade his intellectual pretension just a shade too obtrusively, as though to make recondite reference alone the substantive justification of his work as an artist, it remains true nevertheless that his painting as such has been legitimately, and in its time unusually ambitious. For their imagery, formal invention and technical command, his paintings require the highest critical respect: and among them are to be found some of the finest works of the past two decades, made here or anywhere.

All of which should suggest that where the paintings lead the drawings must surely follow: but it is not quite so simple. An examination of his paintings makes clear immediately that the material, the imagery he has made peculiarly his own, is not discovered directly, not sought out at first hand in the physical world, but is instead invariably secondary, processed, mechanically simplified and ordered, in some sense predigested. Not reality but artificiality is the dominant characteristic: the forms are flattened, the spaces constricted and distorted, the whole structure and organisation of the work extremely sophisticated and extremely mannered. He might not like the point to be made too forcibly, but the devices and techniques he deploys with such mastery are the staple of abstraction, and unthinkable without Cubism. The disjunctures, the shifts of scale, the incongruities and sudden jumps and cuts, are the stuff of collage of all kinds: cubist, expressionist, constructivist, surrealist.

Kitaj's work is at once a splendid compound of art historical reference, and an informed commentary upon modern art, knowing, sidelong, sometimes instinctive. If he might seem something of a creative outsider today, hard to place, he would have been perfectly at home in the extraordinary melting pot of Weimar Germany, with such artists as Grosz and Hoch and Beckmann for his fellows.

This is all quite as it should be, for the artist, any artist, is what he is, and works as he must. But now we turn to the drawings, of which the current show entirely consists (Marlborough Fine Art until November 7); and it is at this point that a disturbingly large gap opens up between practice and achievement to admit a flood of misgiving. Had these works served to clarify and extend the paintings, there would perhaps have been no inconsistency, but with a few exceptions they do not.

For in recent years Kitaj has declared himself the guardian, indeed the embattled saviour, of the figurative tradition and its attendant disciplines of academic study. He has been positively Papist in his insistence upon the human figure itself as the first of the artist's preoccupations. Well, perhaps "The proper study of mankind is Man," and when we are told that the artist, who so freely summons the spirits of Degas and Van Gogh to his side, has devoted himself these two years past to drawing the figure, not unreasonably we expect great things.

And here is the evidence, a group for the most part of large pastel and charcoal drawings, worked with a certain self-conscious intensity, and many of them strikingly frank images of sexuality. Some of them do possess, admittedly, these last especially, a certain iconic authority, but such as it is, even the eroticism, is beside the point. For the inescapeable inference of the show is that Kitaj is making a declaration of himself as a figure draughtsman; and the equally inescapeable conclusion is that he does not draw the figure, sur le motif, very well.

The chosen technique itself flatters to deceive, all the more so rubbed and scrubbed into a rich cartridge surface. Pastel will usually impress, whether it says anything or not; and here the juicy flesh colours and the vivid accents and highlights supply not the substance but only the illusion of authenticity. What modelling there is, over a thigh or across a flank, is cut off repeatedly by a crude and arbitrary, undiscriminating contour. The handful of portraits are banal in their slick and superficial glamour, their emphasis upon a total, a kind of instamatic image rather than a discovered and achieved likeness.

But these are faults rather than deficiencies, for they stem not from particular ineptitude but from misapplied strength: for there is no rule which demands of the artist conspicuous virtuosity in all departments of his chosen discipline; and Kitaj is no less a painter for having difficulty with the life figure. Indeed his difficulty gives his art its particular stamp, keeping him away from realism and close to artifice. That crude contour, simplified and refined, and translated into characteristically dry pigment, describes with the nicest delicacy the idealised, abstracted figures that people his dream world: and the paint pulled across the tooth of the canvas holds the surface as the pastel never can, simply itself, whether flat or descriptive.

For dreams conform to their own laws; and in Kitaj's true work it is inner conviction rather than exact anatomy that carries us with it. The large study in this show, and one of the aforesaid exceptions, makes the point for us: the three girls in "The Rise of Fascism" sit strangely together, in no literal space at all, a breast disappears beyond an armpit, and the head of a reclining figure, its body fore-shortened out of all existence, sits calmly on its flattened, strangely cocked ham: but nothing matters beyond the impassive, brooding, and utterly convincing presence of the work itself.

Elizabeth Hall

Diana Kacso

by DOMINIC GILL

I admired *Diana Kacso's* performance of the Liszt sonata at the semi-final round of the 1978 Leeds Piano Competition: and also her uneven but impressively gutsy Chaikovsky concerto in the final (at which she eventually won second prize). I had more reservations about her South Bank recital a year later; and on Sunday afternoon I found her third major recital in London disappointing. Perhaps she is in danger of overreaching herself: of pushing her considerable talents, at too early a stage, too hard.

Any pianist who presents all of Liszt's 12 Transcendental Studies in a single programme makes, implicitly, certain fairly serious claims about his or her technique — in the widest and most transcendental sense of the word. And if a pianist seems to be trying too terribly hard, while playing them, either to hit the right notes (which Miss Kacso managed for the most part with remarkable ease), or to impress simply by the agility with which one is able to negotiate those notes (by and large Miss Kacso's case), the pianist will only tell a fraction of the story of the music.

There was a great deal of it missing in this recital. Little sense of the breath, and breadth, of line that flows, for example, under the sparkle of notes in the A minor Study no. 2 — or of the sheer melodic luxury and sensuous indulgence of "Paysage." Most fundamentally, there was something unfailingly dull about Miss Kacso's rhythms — which blunted the edge of "Mazeppa" so badly that even though she surmounted its trickiest digital problems successfully, the result lacked any kind of high current, high electrical charge. This deficient rhythmic sense — which is as much a matter of subtle emphasis, subtle colour and phrasing as pure motor impulse — permeated the whole of the recital. "Feux follets" was above all rhythmically, not texturally, dull; "Vision" seemed to move on leaden wheels; and even tried to find, a single solution to the central problem of "Eroica" — how to make the tempo di marcia rhythmically interesting.

The notes of her "Ricordanza" unfolded decently enough; but the music itself was a sorry bloom — without graciousness, capriciousness, quicksilver or grandeur. "Wilde Jagd," whose fervour, sharp edge and silken surge she very nearly caught, was possibly the best thing of the afternoon. But the phenomenally (and deceptively) difficult F minor Study no. 10, which she played last, showed up enough purely technical motor weaknesses to make one doubt the wisdom of the project as a whole. Time will tell; but the time is not yet come. As a prelude to the Studies she gave Schubert's little A major sonata D.664, and made it little in every way; no repeats; the tempo of the *andante* slow movement just over the edge into an *allegretto*, enough to turn it from a journey of spiritual discovery into a light-hearted serenade; the finale, drained of all excitement and fantasy, proposed like a well-learned and mechanical exercise. Uninspiring introduction both to Liszt, and to the Schubert Liszt so loved.

Two RSC plays at Warehouse

The RSC is to stage two new plays at The Warehouse: *The Irish Play* by Ron Hutchinson, which opens on November 18 (performances from November 12) and *Television Times* by Peter Prince, which opens on December 9 (performances from December 3).

The Irish Play, a political comedy set in an Irish club in the Midlands, stars John Cowley, Jim Fitzgerald and P. G. Stevens. It is directed by Barry Kyle and designed by Bob Crowley.

Television Times is a comedy which charts the uneven progress of a group of TV professionals working on a major drama series. This is Peter Prince's first play for the RSC. It is also director Stephen Frears' first RSC production.

Gardone

D'Annunzio's villa

by WILLIAM WEAVER

In 1930, exactly 50 years ago, Gabriele D'Annunzio made a formal gifts of his villa and its vast gardens to the Italian nation. Actually, it had already cost the nation considerable sums; and after the poet's death in 1938, it continued to create some financial headaches. Still, it has proved an immensely popular attraction for the many tourists who visit the Lake Garda area. The grounds and the Museum, rich with memorabilia, have been open for some years; then, in 1975, the poet's private apartments were also made accessible, and the number of visitors has risen dramatically. In 1979 admissions numbered 230,000.

But the Vittoriale is not only a museum, a shrine: it is also a Foundation, which is interested in furthering study of D'Annunzio and his period. It sponsors annual productions of D'Annunzio's plays, assists qualified scholars working on the turn-of-the-century period (the Vittoriale houses a large, efficiently-run library), organises special events—such as a festival of films inspired by D'Annunzio's works—and annual scholarly conferences. One of these conferences was held recently, on the subject of "D'Annunzio's Theatre Today," with speakers including Raul Radice, editor of the recently published correspondence of *Eleonora Duse* and Arrigo Boito; Gerardo Guerrieri, a Duse specialist; and Emilio Mariano, director of the Vittoriale and author of many works on D'Annunzio of capital importance.

To coincide with this conference, the scholar Giovanni Dalla Pozza has arranged, in two rooms near the Museum, a a documentary exhibition called "La Fabbrica del Vittoriale." A generous and intelligently-chosen array of photographs, letters, architectural drawings, and other papers illustrates the long, complex process by which D'Annunzio transformed a simple country house into the vast labyrinth of the Vittoriale, meant as a monument to Italian valour, but also as a shrine of the poet himself.

"I want to *invent* the places where I live," D'Annunzio wrote, in a letter of 1926, five years after he had retired to Garda. And from 1921 until his death 17 years later, he poured all his energy and his imagination into the invention of the Vittoriale. In this job he had the support —the complicity, one would almost say—of a young architect named Gian Carlo Maroni; and the current documentary show at the Vittoriale is really a testimony to Maroni's considerable—if not always positive—role in the creation of the villa and the grounds.

The photographs show groups of workers, building walls or enjoying a flask of wine when celebrating the completion of one of the many buildings here. There are pictures of the prow of the warship *Puglia* being imbedded in the steep hillside garden, jutting proudly towards the lake far below. And there are pictures of the house D'Annunzio first bought, the plain, almost blank Villa Thode (originally the property of Cosima Wagner's son-in-law, a German art historian). Blankness was something D'Annunzio could not tolerate. His *horror vacui* soon made him add a portico to that facade, then some huge stone *stemme*, coats-of-arms. Inside the house, the jumble is even more impressive: the guide-book says that in the bathroom there are over 2,000 objects. When you look around, you believe it readily.

The Foundation publishes a scholarly journal, the *Quaderni dei Vittoriale*; and last summer's issue was entirely devoted to an enlightening selection of D'Annunzio's letters to Maroni, presented by Emilio Mariano. Shortly after he met the poet, Maroni was installed in a little house on the grounds; but since D'Annunzio often made himself invisible for long periods, even to his entourage, he despatched letters, bulletins, for a distance of a few metres. Maroni was not only D'Annunzio's architect: he was also required to fend off unwanted visitors or dunning tradesmen, to tend to the humblest details of the complicated routine of the Vittoriale.

Funds came and went, so construction stopped and started. Often several projects would be going on simultaneously, and the workmen would be shifted from one to the other at the poet's whim. Long after D'Annunzio's death, construction still continued; and Maroni, left in charge, was able to indulge his most outrageous conceptions

Whether one likes him or not, D'Annunzio is an arresting, unique figure. The Vittoriale, with its dizzying jumble of patriotism, religiosity, poetry, with its eerie juxtaposition of rare works and junk, is a place apart. It is no use talking of bad taste or good; D'Annunzio was far beyond such considerations. The villa is a chapter of his biography, and of history. And it has to be seen to be believed.

Elizabeth Hall

The English Concert

by RICHARD JOSEPH

London now boasts an impressive pool of "authentic" pre-classical players. Theories of bowing and articulation may vary, but the finest of these players are usually shared between two or three ensembles. It comes as no surprise to find that the string sections of Trevor Pinnock's English Concert and Christopher Hogwood's Academy of Ancient Music are all but identical.

Yet the English Concert's style and approach, as demonstrated at the Elizabeth Hall on Sunay evening, is strikingly individual and very different from the rival Academy's. Their suppleness of rhythm and security of ensemble, the greater imagination revealed in their phrasing, must be attributed to the enthusiasm and thoroughness of Pinnock's direction.

His continuo playing is a model of rhythmic stability and harmonic tact: the harpsichord's support is felt and not obtrusively heard, which is right and proper. On Sunday, Pinnock and Kenneth Gilbert played two of J. S. Bach's double Harpsichord Concertos, in C major BWV1061 and C minor BWV1060, and the contrast between Gilbert's classical, steady legato and Pinnock's more detached fingering and effusive phrasing focussed this artist's musical profile all the more clearly. The temperamental differences between these equally fine players made the performances particularly enjoyable and certainly clarified the alternations between the instruments. Both harpsichords—a good Germanic Goble and a nice French copy by the currently fashionable David Rubio — were well matched in tone but not intonation.

A pair of Handel's Op. 6 Concertos framed the programme. After a cool start, the Concert played with enthusiasm and some of the fire and wildness this music needs. British musicians too often concentrate on the Georgian regularity of Handel's harmonic structure, to the neglect of his melodic exuberance. In both the Handel and Bach pieces the group's lightness of bowing created a great variety of staccati, and this kept the inner parts continually alive. Unfortunately, Pinnock bunched his fiddles together on the left, rather than separating first and second antiphonally. This meant that many of the quick alternative phrase structures so characteristic of late baroque music were suppressed.

Leader Simon Standage played Leclair's A minor Violin Concerto, Op. 7 No. 5. This is a curious amalgam of Italian passion and French style, which should have suited Standage's detailed, slightly mannered playing well. Unfortunately, a few tricky patches in the opening vivace, and the responsibility of leading the rest of the programme, resulted in his treating the solos with caution rather than abandon.

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The poodle of the Left

MR. MICHAEL FOOT said yesterday that he was not seeking to be a caretaker leader of the Labour Party. Instead he is offering himself as an undertaker.

Mr. Foot's decision to stand at all is an indication of the desperation of the Labour Left. When Mr. James Callaghan announced his retirement from the leadership last week, Mr. Foot said that the idea of his seeking the succession himself was "most improbable." He appeared to have an electoral pact with Mr. Peter Shore. True, Mr. Shore seemed an odd candidate for the Left to embrace, but the theory was that if Mr. Shore stood, Mr. Foot would support him and vice versa. Mr. Shore duly declared his candidature.

Calculation

Now it looks as if Mr. Foot has been seduced by those very same voices that tried in the end to persuade Mr. Callaghan to stay. The far Left does not really have a candidate of its own, which is itself a comment on its credibility. Instead, it is prepared to back almost anyone who might succeed in keeping out Mr. Denis Healey. It became clear over the last few days, as indeed it ought to have been clear all along, that the chances of Mr. Shore doing any such thing were not all that great, especially with Mr. John Silkin also in the race. So the Left has turned to Mr. Foot as a better bet, and Mr. Foot has heeded the sirens.

As a calculation, there is almost certainly something in it, though Mr. Foot's candidature would have looked rather more impressive if it had been declared at the outset and Mr. Shore and Mr. Silkin had kept out altogether. It should also be said that Mr. Foot does have some merits. His conduct as deputy Prime Minister to Mr. Callaghan did not indicate an unthinking addiction to the ideas of the far Left. On the contrary, he used his position to ensure the Left's acquiescence to policies of economic restraint. That was a brave performance. He is also a constitutional conservative and was prepared to warn a rally of the Tribune Group at the Blackpool Conference three weeks ago not to go too far in its attempts to undermine the sovereignty of the Parliamentary Party. Not least, he is by nature a conciliator: he believes undoubtedly in his own ability to hold the Party together, and many Labour MPs will be tempted to vote for him for that reason alone.

Refuge

On the other hand, Mr. Foot is 67. He has not been especially fit. As Secretary of State for Employment and one of the architects of the "social contract," he presided over the explosive wage agreements of 1974. Some of the most permissive legislation towards the trades unions, which has caused such trouble since, stands in his name. He is against British membership of the European Community and in favour of unilateral nuclear disarmament, however much he may have fudged on those issues when in office.

It is possible that all those factors make him the ideal Labour leader and that the unity of the old Party could be preserved, at least for a while. But that is the point: it would be the old Party, committed to the old causes. It is very doubtful whether a Party led by Mr. Foot could retain the allegiance of Dr. David Owen, Mr. William Rodgers or their lesser known supporters. It would be more likely to be a refuge for a mixture of revolutionaries and sentimentalists. The idea of Mr. Fot even beginning to try to end the process of infiltration by the non democratice left is almost beyond belief.

Reform

Yet, in a way, Mr. Foot's decision to stand has performed a service. It has exposed the left wing strategy for what it is: a campaign to defeat Mr. Healey at any cost and preserve Mr. Callaghan by other means. Mr. Healey so far has been relatively quiet. He should now come out into the open and say that both the structure and the policies must be reformed if the Party is to have any chance of winning a general election. Reform would be difficult enough under Mr. Healey's leadership. Under Mr. Foot's it would be impossible. Mr. Foot has already consented to become the poodle of the Left.

Spain bids for expansion

THE POSSIBLE is proving hard enough to achieve: miracles are going to take a good deal longer. Such must be the interim report on the economy of Spain as the country struggles to get out of four years of stagnation or worse. Real growth was only 1 per cent last year and will probably be halved in 1980. The Government forecasts 2.5 per cent in 1981, which looks optimistic. These are rates which do not keep up with population growth, so that Spaniards are becoming poorer.

The long term pattern is easy to discern. A few years ago Spain was seen as one of the coming industrial powers in Europe—a potential member of the European Community, with relatively low labour costs and a reputation for stable industrial relations. Exports were the locomotive of economic expansion. Much of that has changed, largely because of the explosion of the cost of energy in the 1970s and the widespread international recession which it caused.

Wage levels

Industrial relations still are better than in many another European country, but wage costs have risen steeply—by 16 per cent this year alone. Wages have approached EEC levels and in some cases have surpassed them: a Spanish steel worker, for instance, is paid more than his Italian counterpart. When wages are translated into unit labour costs, overmanning and inefficiency often make matters worse.

The list of Spanish economic problems does not end there. ShipHbuilding and steel, which contributed greatly to Spanish industrial achievement in the 1960s, are in trouble the world over. The energy crisis is taking a serious toll of a country which imports 70 per cent of its energy needs. On top of that membership in the EEC may not come about as quickly as hoped for. The French will resort to delaying tactics until they are sure that the argument about the Common Agricultural Policy has been settled in such a manner that Spanish competition will not ruin their farmers and vineyards.

These, then, are the problems. As regards the EEC, Madrid has flown a kite suggesting that the question of agriculture to be left until the end of the negotiations for accession, among other things until after next year's French presidential elections. (There is a touching belief that French presidents forget the immediate national interest as soon as they are re-elected. Experience teaches otherwise.)

As regards the more fundamental matter of the future of the Spanish economy, a hopeful sign is that industrial investment appears to be stabilising. The impulse has come from small companies detecting a chance in world markets, and from large scale foreign investment. The Government of Dr. Adolfo Suarez intends to seize its chance and wants to spend its way out of trouble.

The draft budget for 1981 provides for a 31 per cent increase in public sector investment. That includes public works, the telephone system, housing, but also State-owned industry. In the latter sphere, a goodly part is the 28 per cent increase foreseen next year in the investment programme of INI, the State-owned holding company. Its investment target for 1981-85 is Pta 1,700bn (about £9.6bn) in constant 1980 pesetas.

Motors

INI has a finger in many industries, profitable and otherwise. Its chief worry at the moment is finding a replacement for Fiat as partner in Seat, the largest Spanish motor company. Seat is making losses and the Italians want to get out. Toyota is said to be looking hard at this opportunity of manufacturing within the European market. Altogether, the motor industry has proved attractive to foreign investors, in spite of its current setback. Ford and General Motors are cases in point: on a smaller scale so are Daimler-Benz, International Harvesters, and Nissan.

The future of these and other foreign ventures in Spain will depend ultimately upon the world climate. Spain lacks the strength to spend its way out of worldwide troubles. Others who have tried have paid for it with ever increasing external deficits. That said, Spain's standing as a borrower remains good, and the prize of resumed economic growth justifies the taking of some risks.

Key figures in the hierarchy (left to right)—Mr. Mikhail Gorbachev, Mr. Viktor Grishin, Mr. Vladimir Dolgikh, Mr. Grigory Romanov, Mr. Mikhail Solomentsev, Mr. Petr Demichev, and Mr. Yuri Andropov

Behind the Soviet old guard

Anthony Robinson finds there is a disturbing lack of experience among the men most likely to lead Russia when its ageing leaders go

PRESIDENT Leonid Brezhnev and the rest of the Soviet leadership appear to have woken up, rather late in the day, to the possibility that Mr. Ronald Reagan could well be elected President of the United States next month, and the prospect does not appear to please them.

Mr. Brezhnev, in conversation last week with Mr. Armand Hammer, Chairman of Occidental Petroleum, went out of his way to endorse Mr. Carter's bid for re-election by expressing his "high regard" and "warm feelings" for the man who has previously been characterised as vacillating, unreliable and anti-Soviet.

There is no reason to believe the Soviet leadership has fundamentally changed its view of President Carter. But he is at least a known quantity.

Mr. Reagan is still very much an enigma—except that in his public utterances he comes over as strongly anti-Soviet and a supporter of higher military spending. He is also a critic of the SALT 2 agreement while President Carter, whose officials spent over two years negotiating with the Russians, is committed to its ratification.

If the Russians are worried about the prospects for the next U.S. administration, their concern is more than matched by growing Western fears about the shape of the new Soviet leadership which is likely to emerge at some stage in the tenure of the new U.S. President.

Mr. Brezhnev, after all, is 73 years old. He came to power in October 1964 when he was 58 as part of the Brezhnev-Kosygin-Podgorny troika. Mr. Lyndon Johnson was U.S. President, Mr. Harold Wilson had just been elected Prime Minister for the first time, and General de Gaulle was still ruling France.

Mr. Podgorny was dismissed at President of the Soviet Union three years ago. But Mr. Alexei Kosygin, aged 76, is still Prime Minister even though virtually incapacitated by recurrent heart and circulatory problems.

Other leading figures of the Politburo "inner four" include the party's ideological overlord Mr. Mikhail Suslov, who is 79 next month, and Mr. Andrei Kirilenko, 74, who holds the key party organisation post. The average age of the 14-man Politburo is well over 70, and its oldest member, Mr. Arvid Pelshe, is 81.

What is more, two of the most senior Government Ministers to hold Politburo rank are also advancing in age. These are Mr. Andrei Gromyko, the Foreign Minister, who is 71, and Mr. Dimitri Ustinov, the Defence Minister, who is 72.

Mr. Gromyko, like other members of his generation, was singled out by Stalin before the outbreak of the Second World War. He became head of the American department of the Soviet Foreign Ministry in 1939 and was sent to Washington as Soviet Ambassador in 1943 at the tender age of 34. His appointment was partly in recognition of his tough negotiating skills but also an expression of Stalin's deep displeasure at the Allied refusal to open a second front in Europe.

Mr. Gromyko has since had an unbroken diplomatic career culminating in his appointment as Foreign Minister in 1957. He has survived six U.S. Secretaries of State and is a personal monument to the continuity of Soviet foreign policy. No other diplomat in the world has his range and length of experience.

But it is precisely this kind of concentration of experience in the hands of such a small and ageing body of men which is so fraught with complications for the future. Policy-making and decision-taking in the Soviet Union are so concentrated and centralised that those outside the charmed Politburo circle have little chance of gaining useful experience of wider issues outside their own narrow range.

There is always a risk, when concentrating on personalities, to underestimate the value of staff work, back-up bureaucracies and research establishments. The foreign ministry in particular is well serviced by institutes like the U.S. and Canada Institute and the other regional bodies. Even so, there is no substitute in the last analysis for direct experience of negotiations, and decision-taking accumulated over years. Little grooming in this sense appears to have taken place.

It is a problem which has been exacerbated by Mr. Brezhnev himself who, having been carefully groomed by Mr. Khruschev, subsequently played a key role in his downfall. He has been determined not to suffer a similar fate. Time alone has shown his success.

He has consistently filled key positions in the Party and Government apparatus with men personally loyal to him, particularly those men, nicknamed the Dnieper mafia, who rose with him through the purge-decimated Party apparatus of the Ukraine in the 1930s and 1940s.

These include Mr. Kirilenko, who is widely tipped to become an interim successor to Mr. Brezhnev if a younger candidate cannot be agreed; Mr. Konstantin Chernenko, who was promoted to the Politburo in the last minor re-shuffle in 1978; and Mr. Nikolai Tikhonov, who also moved up to the Politburo last year at the age of 74. He is tipped to succeed Mr. Kosygin temporarily in the event of the latter's death or incapacitating illness.

As these men grew older they blocked the promotion prospects of younger men. What is more several ambitious men of the younger generation have been removed. They include the former Party agriculture specialist, Mr. Dimitri Polyanski, and Mr. Kirill Mazurov, the ambitious Party boss from Byelorussia who was removed, officially for health reasons, two years ago when he was 64.

Ironically, death has also taken its toll of the younger men. Mr. Fyodor Kulakov, the Politburo man in charge of agriculture, died two years ago aged 61, and Mr. Petr Masherov, the 62-year-old Party boss from Byelorussia died in a car crash earlier this month. He has just been replaced by 63-year-old Mr. Tikhon Kiselev, a former Premier of Byelorussia.

The net result of death, purge and immobility in office is now a dangerous dearth of top leadership material among the 14 voting and nine non-voting Politburo members from whose number Soviet leaders are traditionally drawn.

One of the main inferences to be drawn is that the successors to the present leaders will be forced by their own lack of experience or pre-eminence to work out a collective form of leadership for what could prove to be a lengthy interim period. The real problems could arise if the Politburo members failed to agree among themselves, leading to the choice of a compromise candidate for the key Party secretaryship from outside their ranks. This is possible, but unlikely and unprecedented.

At this stage the odds favour the emergence of a new leader from among the handful of Politburo members now in their 50s and 60s. Prominent among these men is Mr. Yuri Andropov who, as chairman of the KGB, is responsible for security and intelligence matters in the Politburo.

It used to be the conventional wisdom that no KGB chief would ever be allowed to take over the top leadership post.

Around the Soviet bloc as a whole, however, there are two East European Communist parties headed by former security chiefs — Mr. Erich Honecker of East Germany, and latterly Mr. Stanislaw Kania, the new Polish Party boss. The Soviet system is facing a daunting series of economic, political and ideological challenges and the appointment of a former security chief could well look reassuring to many a nervous Party apparatchik.

Other potential rivals for the top job include two relatively young men who are both powerful Party bosses in their own areas as well as being of Russian nationality and having full Politburo status. They are 66-year-old Mr. Viktor Grishin, who took over the important Moscow City Party leadership in 1967 after a lengthy career in the trade union movement, and his counterpart in Leningrad and "baby" of the Politburo, 57-year-old Mr. Grigory Romanov. Both men have been involved in rather bizarre incidents in the past two years.

Kremlinologists, and those familiar with the importance of the Russian iconic tradition, became terribly excited during last year's May Day celebrations when the Moscow evening paper came out with a doctored photograph on its front page. Careful comparison with other photos taken of the leadership during the parade showed that Mr. Kirilenko, that is to say an "icon," had been eliminated from the photo. The assumption was that this could not have happened without a nudge from Moscow Party boss Grishin.

Some months earlier rumours spread in Leningrad that Mr. Romanov had abused his power to acquire the Czarina's china for his own daughter's wedding celebration and that drunken guests had ended up smashing some of the priceless crockery. Both incidents reveal in different ways that these men are powerful—and have powerful enemies.

The problem with both Grishin and Romanov is that neither of them has any substantial experience of foreign affairs.

The same applies to the other two local party bosses in the Politburo, Dinmukhamed Kunaev, the 68-year-old Kazakh Party boss, and Mr. Vladimir Shscherbitski, the 62-year-old Ukrainian Party boss, who also carry the handicap of non-Russian nationality. (After Stalin, a Georgian, the conventional wisdom has it that the party would not stomach another non-Russian as leader.)

This nationality factor can also be taken to exclude the further promotion chances of the Azerbaijan, Uzbek and Georgian Party secretaries, who are all relatively young men with Politburo status. But it does give a chance to Russians like Mr. Petr Demichev, the 62-year-old Minister of Culture, and Mr. Mikhail Solomentsev, the 67-year-old Premier of the Russian Federation. Both have non-voting Politburo status of long standing—16 years in the case of Mr. Demichev.

Mr. Demichev graduated as a chemist, served as a political commissar during the war, and later as first secretary of the Moscow Party Committee. He gained industrial experience as chairman of the Party Chemical and Light Industries Committee before taking over from Mrs. Ekaterina Furtseva as Minister of Culture in 1974 (a job closely connected with propaganda and media control). He has travelled quite widely outside the socialist countries and played an active role in the run-up to the invasion of Czechoslovakia in 1968.

Two other men in their early fifties also deserve attention. Mr. Mikhail Gorbachev, 50, was promoted to the six-man Party Secretariat in 1978 and moved up to the Politburo last year as a non-voting member with responsibility for agriculture.

Another interesting figure is 55-year-old Mr. Vladimir Dolgikh. He has had eight years' experience in the Secretariat with responsibility for heavy industry — a key sector with close military connections. Mr. Dolgikh is interesting because he represents the post-war educated generation, having both technical and higher educational qualifications and practical experience of industrial management.

The future lies, eventually, with the men of Mr. Dolgikh's generation. But few of them have yet had the opportunity to develop their potential and gain the kind of experience which is required to manage the affairs of a super-power in the challenging conditions of the 1980s. This makes the whole succession question fraught with uncertainty and leaves scope for miscalculation.

The Brezhnev leadership's unwillingness or inability to countenance reforms at home whilst pressing ahead with expansion of Soviet power and influence abroad will leave a legacy of economic stagnation and military strength. Little effort has been made to adapt and adjust to the major sociological and educational changes which have accompanied the transformation of the Soviet Union into an increasingly urbanised, industrial country. Considerable tensions underlie the superficial calm.

It is the future conduct of Soviet foreign policy which is of most concern—both to the Soviet Union's nervous and insecure allies in Eastern Europe and to the world at large. As American voters go to the polls in two weeks they might well ask themselves which, if either, of the two candidates is better prepared to deal with the risks and opportunities which could arise from leadership changes in the Soviet Union.

"The net result of death, purge and immobility in office is now a dangerous dearth of top leadership material in the Politburo"

MEN AND MATTERS

Lowe makes a break

How many people, I wonder, know that Edward Lowe has been leading a double life for the past 25 years? By day he is known to many in the business world as the national sales director of Allied Breweries. By night, however, he is friend to the thousands, occasionally millions, who, sipping their cocoa, sit transfixed by the clicking of coloured balls, the squeak of chalk on cue, and lulled by the *sotto voce* Berkshire burr of Ted Lowe, snooker commentator.

This seemingly curious blend of careers, however, seems not at all odd to Lowe himself. "The two have knitted very well together," he tells me. "I am a salesman. I am a beer salesman for Allied and a salesman for snooker the rest of the time."

The division of his energies began in the mid-fifties when he was general manager of the "Wimbledon of billiards," the Leicester Square Hall. It was from there that his voice first went out on the air and then he joined Ind Coope.

Now 60 and "winding down a bit," Lowe is to retire from Allied and concentrate more on his career at the microphone. His double life, however, will continue. He stays at Allied as a consultant tending social and sporting events, and to fill in the odd spare moment he has accepted a seat on the board of John Bairstow's compact but lively Queens Moat Houses hotel group.

And then there is the lure of the green baize. The astounding popularity of the sport over the past five years, now spreading healthily around the Commonwealth, has made Lowe an international personality. In Australia, for example, he fronts a popular series on the game.

But at home he will remain a disembodied, carefully modulated voice. Never seen on the screen, he explains: "As a commentator I am not the star of the show. I like to build up the people who matter." Although, he adds, "I like to think I'm quite an attractive bloke."

Ted Lowe—
the voice is familiar

Thrill seeker

Those who cater for other people's leisure do not get much spare time themselves, says Bob Upsdell, who proves the point by hopping straight from the chairman's desk at EMI Leisure to that of the managing director at Hawley Leisure at the end of the month.

Upsdell's entire career seems to have been pursued at a gallop. In the past 10 years it has taken him from Chad Valley toys to Ladbroke's holiday camps, and then to EMI's hotels and steak houses.

He is moving on now because he feels the pace of his activities at EMI has been slowing down since the merger with Thorn. "The leisure side has been contracting," he says. "It's only a third of the size it was."

Hawley, the Walsall-based amusement machines and sports group, offered him the sort of rapidly-expanding environment in which he feels most at home. Chairman Michael Ashcroft snatched the company from the hands of the receiver three years ago, has since built up a £30m turnover and now plans to branch into hotels and holidays.

"Things are moving at a rate of knots," says Upsdell. "I'm sure I'll find the excitement there that I've been lacking."

Harvey annual

Where would we be without Tolley's Tax Annuals? Possibly all a little bit poorer, for one thing, since when your byzantine-minded tax consultant mulls over a scheme to put a little more of your income out of reach of the revenue men, it is a fair bet that his right hand is grasping one of Tolley's monumental collations of taxation law.

Sales of Tolley's four basic books vary between 24,000 and 35,000. If this year's crop felt a little heavier than usual as they dropped on the desk, that, explains Tolley's Income Tax author, Eric Harvey, is because they incorporate the complex provisions of the largest Finance Act in five years.

Harvey, who once practised as a chartered accountant, reckons the British Revenue "probably the fairest in the whole world." The production of successive tax annuals has led him to the conclusion that the Chancellor might, however, usefully pursue the idea of a regular autumn budget, a smaller tidying-up operation on the spring masterwork in the light of wrinkles turned up by the accountancy profession and the Revenue over the summer.

Is it not the case, I wondered finally, that tax accountancy is, rather, er(dull? "Bits of it," he replied with curate-like diplomacy, "are fascinating."

Castaways

Is it not time for the International Monetary Fund to adopt a rather more circumspect method of selecting a chairman for its steering group? The current policy on the vital, if dull-sounding interim committee is to pick the man thought best suited, rather than work a buggins'-turn rota of member countries.

For the past two chairmen, however, appointment to this elevated post seems to have produced an effect remarkably similar to that of the dreaded Black Spot.

Britain's Denis Healey walked the IMF plank after a brief stay when Jim Callaghan and his crew fell foul of the Tory fleet. His successor, Filippo Pandolfi, only just settled in, now goes overboard since he has been declared "not wanted on voyage" by Italy's new government.

If continuity of control is important to the fund, my experts suggest its talent spotters might pay less attention to the star qualities of individual candidates and more to the stability of their positions at home.

There will, of course, be no shortage of contenders. Austria's Hannes Androsch, for example, coped manfully when he stood in for Pandolfi at the recent fund gathering in Washington. But I must be chary of naming names. The role of Blind Pew to the international financial community is not one I relish.

Stirring times

Newspeak sample from Ford's Halewood plant, where 400 workers are being paid to drink tea and play cards. Kept on because the company promised no jobs would be lost through automation on the Escort production line, the men, a spokesman announced yesterday, had been "redeployed to the canteen."

Observer

William Hall reports on the stubborn resistance to change in the Royal Dockyards

The spirit of Samuel Pepys

WHEN Sir John Mallabar picked up a copy of the latest consultative document on the future of the Royal Dockyards he could hardly believe his eyes.

Ten years after his Committee on Government Industrial Establishments had advocated a number of sensible reforms of the Royal Dockyards which the Government of the day had accepted, and he assumed had been implemented, he was reading yet another report making much the same recommendations. The only real difference was that the latest report noted that a "great deal of further work will be required before the Government is in a position to take firm decisions."

There are four Royal Dockyards in Britain—Devonport, Portsmouth, Rosyth and Chatham—plus a small one in Gibraltar. Altogether the dockyards cost the taxpayer more than £400m a year and employ 2,400 people, making them far and away the largest industrial organisation within Central Government. In terms of size the dockyards rank on a par with Metal Box or Vauxhall Motors.

Until 10 years ago the Royal Dockyards built warships, but now their sole task is to repair ships of the Royal Navy.

Although staffed largely by civilians, there are around 70 naval officers in senior positions *including a Rear Admiral* who holds the key post of director of dockyard production and support. Attempts to put the dockyards on a more commercial footing and give them more independence have been frustrated in the past by the fact that the Royal Navy insists on running the dockyards in much the same way as it did in Samuel Pepys day. The Port Admiral has much more say than the general manager of the local dockyard.

In recent years the performance of the Royal Dockyards has deteriorated severely. Budget estimates for the time and costs of naval refits are rarely if ever met and there have been instances where it has taken considerably longer to refit a warship than to build it, which is a slow job at the best of times.

By the end of the 1960s the Government was anxious to do something about the Royal Dockyards before the Royal Navy's defence capability was jeopardised. A committee was established under Sir John Mallabar, a chartered accountant and former chairman of Harland and Wolff, the Belfast shipbuilder, with the brief to investigate the Royal Ordnance Factories (ROFs) and the dockyards.

The Mallabar Committee *found a relatively high level* of overtime working in the dockyards which was not justified by the urgency of the work in hand. Long delays and low productivity were prevalent, and there was a surprising complacency on the part of the managers.

The committee proposed that a much clearer relationship between the customer (the Royal Navy) and the supplier (the dockyards) should be established. The intention was to strike a sensible balance between the costs versus the speed of warship refits. The Navy would be served more efficiently but would also be made aware of the scale of the costs involved in altering designs half way through a warship refit.

Sir John recommended that both the ROFs and the Royal Dockyards be put on a more commercial footing and be made to account for their spending by establishing a trading fund. The Government accepted the recommendations in principle and soon started to implement those applying to the ROFs.

A couple of years later a Parliamentary expenditure committee strongly endorsed the Mallabar Committee's recommendations on the Royal Dockyards. *Indeed it recommended* that the reforms should be speeded up and the target date for the establishment of a trading fund brought forward from 1976 to 1974.

As the Mallabar Committee was starting to investigate the Royal Dockyards other reforms were already under way. A new position of chief executive of the Royal Dockyards was created in September 1969 and hard-headed businessman, Mr. L. W. Norfolk, was lured away from ICI to fill the job.

The combination of the infusion of outside talent plus the Mallabar Committee's recommendations seemed to be working. Average cost overruns on major warship refits dropped from 50 per cent to 24 per cent and of the 23 vessels refitted in 1971-72 only four overran on cost and time. However, Mr. Norfolk left in August 1972 and was replaced by a retired Rear Admiral. The momentum for reform of the dockyards seemed to falter.

Enthusiasm for establishing a trading fund also started to evaporate. In spite of further criticism of substantial cost and time overruns by the Parliamentary Accounts Committee in early 1978, the Government announced that it was dropping *the whole idea later that year.*

After the initial improvement in the early 1970s the performance of the Royal Dockyards once again started to slide downhill. More and more work had to be subcontracted to British Shipbuilders, industrial unrest escalated and output slumped.

In 1974-75 the dockyards completed 13 major refits and 59 normal refits. In 1978-79 the number of major refits had fallen to nine and the number of normal refits had dropped to 37. Even allowing for the increasing complexity of refits there had been a major decline in output. When the statistics for 1979-80 are published they are expected to show a further serious loss of output.

A year ago yet another study of the Royal Dockyards, the fifth since 1950, was commissioned by the Government. The study group consisted largely of civil servants and naval officers but did include one outsider.

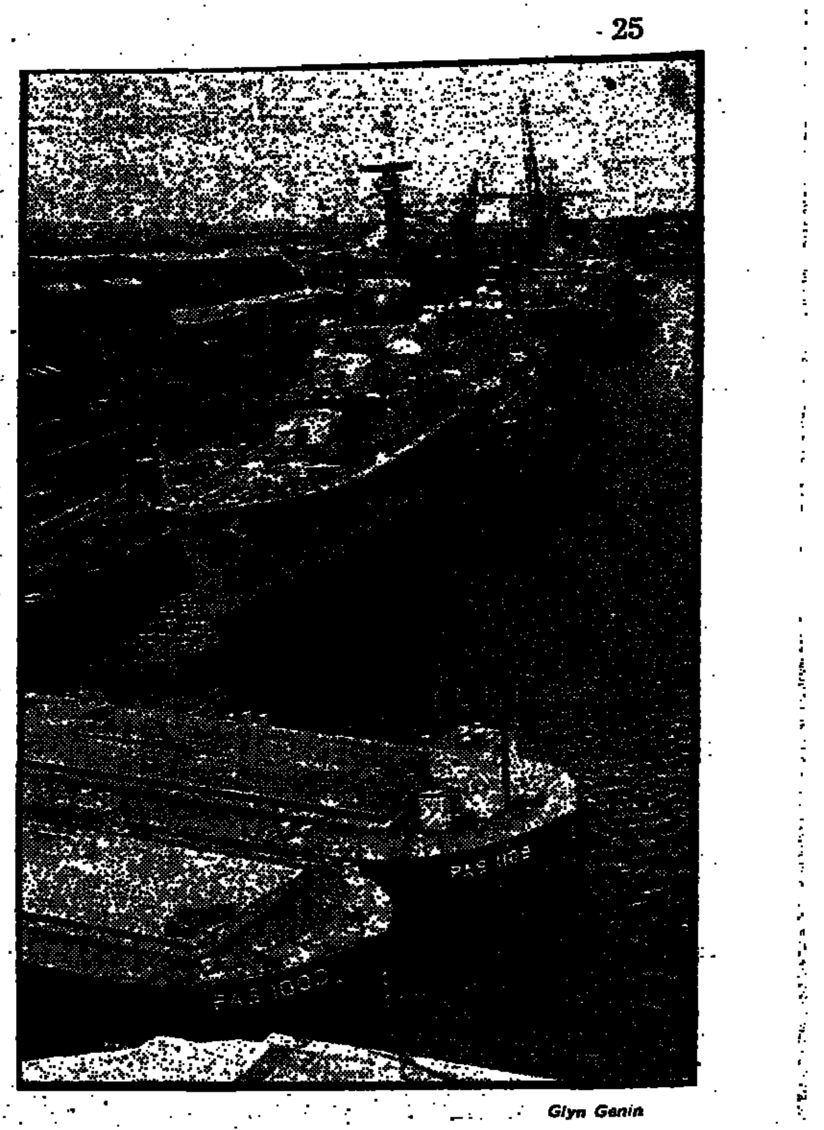
The group found that the Royal Dockyards were hopelessly overloaded with work. The workforce was "discontented about pay and fearful of the future." Management lacked authority to deal with local problems.

Once again the key conclusion to emerge was that the sooner a trading fund was established the better it would be for all concerned. Sir Derek Rayner, the Prime Minister's special adviser on civil service efficiency, was consulted, and he came out strongly in favour of a trading fund for the dockyards, as he had done at the time of the Mallabar Committee report. So to did the staff associations, representing dockyard management.

The report recommends that a trading fund should be introduced "as soon as possible" but significantly this was one recommendation that the Government did not immediately endorse.

The Government accepted the report's conclusion that all four dockyards should be kept in business and that the introduction of private capital into the dockyards is not practical at present. However, it only "noted" the remaining recommendations.

So, ten years after the Mallabar Committee recommended that the dockyards should be turned into a trading fund—something which was accepted by a previous Conservative Government—the present Government is still thinking about it.



Glyn Genin

Royal Navy ships in Chatham Dockyard.

How a trading fund might help

TRADING funds are not a new idea. A previous Conservative Government introduced the Trading Funds Act in 1973 in an effort to make various Government bodies more commercially oriented and more accountable for their actions.

A trading fund is halfway between a civil service department and a nationalised industry. The staff are still classed as civil servants but instead of being financed by the normal system of votes and appropriations, a trading fund is given its *own capital and a financial* target, and told to go away and charge other Government departments for its services.

The change might not sound terribly revolutionary but it does impose a much clearer distinction between the customer and the supplier and the results so far prove that the concept has some value.

When the Act was passed, five possible candidates were singled out for trading fund status—the Royal Ordnance Factories, the Royal Mint, Her Majesty's Stationery Office, the supplies division of the Property Services Agency and the Royal Dockyards. With the exception of the Royal Dockyards, all now operate as trading funds and generally seem well pleased with the change.

The Royal Ordnance Factories and the Royal Mint, in particular, have thrived under the trading fund regime. The Royal Mint has boosted its operating surplus from £1.9m in 1976 to £6.8m in 1979.

With more than two-thirds of its £88m turnover exported it has won the Queen's Award for Export Achievement and its 21.9 per cent return on inflation adjusted capital is comfortably above its official target of 15 per cent.

Of all the trading funds, the Royal Ordnance Factories (ROFs) have most in common with the Royal Dockyards. They are both part of the Ministry of Defence and very large employers of industrial civil servants.

They were both investigated by Sir John Mallabar's Committee on Government Industrial Establishments in 1971. The Committee recommended that both should be turned into trading funds. The ROFs were established as a trading fund in 1974 but the Royal Dockyards still remains firmly embedded in the Ministry of Defence.

ROF management is generally pleased by the greater freedom given under the trading fund regime. Management accountability has been strengthened and performance and output has been much improved.

Sales have more than doubled to £284m in the past three years and well over half of the ROFs' output is exported. The surplus on operations after depreciation has arisen from £13.9m in 1975-76 to £31.2m in 1978-79.

Clearly, the introduction of a trading fund is not the only reason for the impressive performance. The ROFs have been fortunate to win large export contracts from some Middle East countries, particularly Iran. This has reduced their dependence on the Ministry of Defence from 90 per cent of its business to less than half.

The trading fund has given the ROFs a much more commercial flair. When the large Leeds factory was hit by the cancellation of an Iranian order for 1,200 tanks last year, the ROF quickly reduced the workforce by 500 and went out to look for other business to fill the factory.

It is now producing equipment for the Thames Barrage and British Aerospace, as well as continuing with its main task of producing battle tanks for the British Army.

The success of the ROFs is such that the Government is now investigating ways of increasing its independence from Central Government. One possibility being seriously considered is the introduction of private capital.

Letters to the Editor

Redundancy payments

From Mr. G. H. Kramers

Sir,—After reading your report (October 17) on the speech of the Chancellor of the Exchequer at the Mansion House banquet, I am wondering if proper allowance has been made for the effects of the Redundancy Payments Act 1965 and other lump sums payable on cessation of employment.

In the private sector employees are made redundant to improve the viability of the business but, to some extent, (depending on the length of service of the individuals made redundant), the immediate consequence will be an increased overdraft at the bank. The bank can scarcely refuse the increase as the object of the exercise is to improve the trading position of the client in the longer term.

To what extent can the increase in recent months of bank lending to the private sector be attributed to payments on cessation of employment before the normal age of retirement? To what extent is the increase in savings due to these payments? Tax is not payable by the employer on terminal payments of less than £10,000. If such payments have been included and PAYE deducted two things may have resulted: *a deduction of tax in excess of* the employee's actual liability and it will appear that there has been a greater rise in incomes (as compared with the previous year) than has actually been the case.

It has been suggested that unemployment could rise over the next twelve months by 1m. If that were to happen and lump sum payments were to average £5,000 then the public and private sectors between them would have to borrow £5bn. Should not the Bank of England through the clearing banks assist both the public and private sector to meet their obligations under the Redundancy Payments Act? Should not such payments be deducted before deciding if public spending is in control or not?

G. H. Kramers.
Partingdale Lodge,
Partingdale Lane,
Mill Hill, NW7

Imports and jobs

From the Chairman, Textile Research Council.

Sir,—I refer to Samuel Brittan's economic viewpoint article of October 16.

He states that "import controls not only raise domestic prices but also lead to job losses in exports offsetting any jobs saved on the import side." I feel that this is fundamentally incorrect. Import controls do not raise domestic prices but they might prevent them being lowered if one assumes that the retailer will pass on to the customer the advantage of purchasing cheaply. It should be remembered also that once having crippled an industry then the price of importation is modified upwards so that even if an advantage is passed on to the retail customer it may be short lived. There is no reason why import controls should cause the loss of any export opportunities provided the overseas supplier is aware in advance of the ceiling and it is quite unrealistic to simply suggest that job losses can be offset by jobs saved on the import side without also taking into consideration the cost of maintaining people in unemployment.

Every sixth former today is aware of political pricing either for the need to gain currency or due to a surplus situation: when this occurs a country offloads at a price sufficiently low to undercut competition—this is the dumping price level and is the cause for most of the concern particularly in the textile industry.

Our concern should not be for the inefficient company going out of business due to fair competition. It should be an a priori requirement of any free trading nation to protect its industries against dumping. By definition, dumping implies importing at a price less than the most efficient manufacturer in this country and unless it is stopped then he too will go out of business.

Mr. Brittan ought to concern himself more with the really efficient manufacturer who is closing his doors due to unfair competition rather than criticise those who seek—not protection but fair trading.

A matter of considerable concern lies in the fact that our Government does not appear to be aware of when goods are being landed at dumping prices: it is true that an aggrieved industry can eventually provide a case which will be taken up by the Department of Trade but unfortunately by then the patient is invariably dead. What is urgently needed is to provide the dock customs with access to computerised figures which will clearly indicate when dumping is suspected. This is the only time at which the damage to our industry can be prevented and where the onus can be placed upon the importer to prove that the landed cost is justified.

Readers should not be too hasty to write to our lords and masters as suggested by Mr. Brittan, our lords and masters should be preoccupied with trying to find jobs for those who have been replaced by imports and I suggest that economic writers could better spend their time analysing reasons why thoroughly efficient modern well equipped companies are going out of business in the face of what appears to be subsidised imports.

D. Finlay-Maxwell.
(Comite Consultatif Pour la Recherche and Developpment Industrielle),
c/o John Gladstone and Co.,
Wellington Mills,
Huddersfield.

Advertising the price

From the Press Officer, National Consumer Council

Sir,—It is now two years since a survey by the National Federation of Consumer Groups showed that a third of the opticians in their sample were quite willing to display prices. Why, then, should they be prevented from doing so?

It is very good news that the General Optician Council is next month to discuss lifting its present ban on pricing spectacle frames in shop windows. The notion that it is somehow "unprofessional" to display prices in this way is a misguided one. What is unprofessional about letting consumers know the range of choice and price available to them?

It is clear that the present situation is bad both for patients and for opticians. Some patients actually put off going to opticians for treatment (sometimes for years) for fear of the costs involved. Others show acute suspicion and resentment of opticians because of unclear pricing. It cannot be good for the reputation of opticians for consumers to be making such comments as "It's a racket" and "The treatment's all right but they don't encourage you to have NHS frames; they push the more expensive frames."

And it cannot be good for patients to defer necessary treatment for fear of the cost. Clear pricing would at least give them some idea of the options available.

Wendy Toms.
18, Queen Anne's Gate, SW1

The rating system

From Mr. D. Liss.

Sir, — Many councillors and local authority executives such as Mr. R. C. Wright (October 14) working hard to carry out what they see as their duty in unfavourable economic circumstances, and often hindered by insensitive or plainly politically inspired government directives, deserve much sympathy. But Mr. Wright ought not to generalise in the very manner of which he accuses the critics.

He does not help his cause by referring to low salary levels in local government service, while the critics know that these go hand in hand with virtual job security and index-linked pensions. He must know full well that many councils, in contrast to his, have increased their work forces in the last six years and, like mine in Hounslow, have spent very large sums of money to little practical effect. And I think that he might agree that councils in many large conurbations behave like some in London, rather than like his council in Whitehaven.

The editor of the journal of the Inland Revenue Staff Federation (October 13) shows what is surely a disturbing failure to distinguish between various kinds of taxes. He seems unable to understand that while we could all stop smoking, we could certainly not all stop paying rates under the system he defends. He may not know that the last government was reported as considering the abolition of the road fund licence, precisely because it is inequitable, is quite expensive to collect and allows much evasion.

The revaluation Mr. Willman calls for could only throw up new anomalies: it would not touch those who now do not pay rates, and voters taxed more harshly than is now the case would remember the present government's manifesto commitment to abolish domestic rates.

From Tunbridge Wells, Mr. Shepherd (October 13) has again made the case for the abolition of the system clearly and in few words. I submit the case stands.

David Liss.
28, Arcadia Avenue,
Chiswick, W4

Leaving the EEC

From Mr. R. Kitzinger

Sir,—It is interesting to see that Mr. Wistrich, the director of the European Movement (Oct. 10) does not challenge the main theme of my letter (Oct. 8), which was that the diplomatic leverage created by the exportable surplus of North Sea oil could be used to arrange reasonable terms for our withdrawal from the EEC.

Mr. Wistrich does, however, challenge my statement that our trade in manufactured goods with the original Six is now running at an annual deficit of £4bn, and claims that the 1979 figure was £2.8bn. The difference between his figures and mine is largely if not entirely accounted for by oil which he has included whereas I have not, for the simple reason that oil could be exported to the EEC, or almost anywhere else for that matter, whether or not we were members.

The figure for 1979 (excluding oil and precious stones) was a deficit of £4.08bn but I agree with Mr. Wistrich that there has been a slight improvement this year in that for the first eight *months the deficit ran at an* annual rate of £3.58bn. These figures compare with a surplus of £103m in 1970.

My argument remains valid—not even the clumsiest negotiator should experience difficulty in securing continued access to the EEC market for our manufacturers, but should it be necessary to use the North Sea oil "leverage" to make our withdrawal amicable, so be it.

R. Kitzinger.
31 Oakwood Court, W14

Personal effects

From the Director of Information, Company Pensions Information Centre.

Sir,—In your reply to a query headed "Personal effects and a will" last Saturday, it was stated that the death grant from a superannuation scheme goes to the next of kin. With some schemes this is true.

It is, however, probably much more common nowadays for the lump sum to be paid into a discretionary trust with the proviso that the money will then be paid to one or more people falling within a category such as "dependants and/or relations." The scheme member is often invited to complete an expression of wish form to guide the trustees, although the form is not normally binding on the trustees. Charities would not usually come within the category of bodies to whom benefits could be paid.

Using this discretionary trust method normally enables payment to be made more quickly and capital transfer tax to be avoided.

M. J. Brown.
Company Pensions Information Centre,
7 Old Park Lane, W1.

The Irish punt

From the Managing Director, ATP International

Sir,—In answer to J. F. McHenry (October 13)—yes, of course we know that many countries use the same dollar sign. The special point about the Irish punt is that the £ until very recently designated only sterling and it *is* the sudden change in the value of the punt that needs to be emphasised by a different sign. In reply to Stephen Preston, I think the Israeli pound was normally shown *as* £IL.

Norman Gantz.
ATP International,
54-58, High Street, Edgware, Middlesex

Today's Events

GENERAL

UK: Mrs. Margaret Thatcher officially opens three newly air-conditioned rooms at the National Gallery.

Mr. William Whitelaw, Home Secretary, speaks at Pye Radio Awards presentation, Savoy Hotel, London.

Mr. C. S. King, BL Technology deputy chairman, is opening speaker at Institution of Mechanical Engineers three-day conference on importance of vehicle design on whole life costing, London.

European Offshore and Petroleum Conference and Exhibition opens, Earls Court (until October 24).

Conference and exhibition on marine transportation and storage of bulk chemicals opens, Royal Lancaster Hotel, London (until October 23).

Overseas: Count Etienne Davignon, EEC Industry Commissioner, meets Mr. Jack Curliss, General and Municipal Workers' Union Northern Ireland officer, to discuss Community aid for Kilroot area, Brussels.

The Queen and the Duke of Edinburgh arrive in Tunisia for three-day state visit.

PARLIAMENTARY BUSINESS

House of Lords: Criminal Justice (Scotland) Bill, Commons amendments. Law Reform (Miscellaneous Provisions) (Scotland) Bill, Commons amendments. Tenants Rights (S) (Amendment) Bill, second reading.

OFFICIAL STATISTICS

Unemployment and unfilled vacancies (October-provisional). Bricks and cement production (third quarter).

COMPANY MEETINGS

Apex Properties, 243-247 Pavilion Road, Sloane Square, SW, 12. F. and C. Eurotrust, 1-2 Laurence Pountney Hill, EC, 12.15. FMC, Agriculture House, 25-31 Knightsbridge, SW, 12. Rowland Gaunt, Hollywell Lane, Armley, Yorks., 11. A. and J. Mucklow, Chamber of Commerce, Edgbaston, Birmingham, 10.30.

COMPANY RESULTS

Final dividends: Brooke Bond Liebig. Ductile Steels. Medminster. Newman Tonks Group. Paterson Zochonis. Peachey Property Corp. Interim dividends: Estate Duties Investment Trust. Francis Industries. London Brick Company. Mothercare. UBM Group. Interim figures: Robt. Bradford Holdings. Gosforth Industrial Holdings.

UK COMPANY NEWS

Highland Distilleries up to £5.8m: dividend rise

FOLLOWING the increase from £1.92m to £3.03m in the first half, Highland Distilleries Company, reports pre-tax profits of £5.82m for the year ended August 31, 1980, compared with £4.63m in the previous year.

Stated earnings per share are 8.4p against 7.7p and a final dividend of 1.8p lifts the total from 2.1p to 2.6p.

The directors say margins in all sectors of the business were under increasing pressure during the year, but increased volumes helped to offset the full effect of this trend.

Turnover was up from £56.73m to £64.25m due mainly to increased sales of The Famous Grouse in both home and export markets and of new fillings. Mature whisky sales showed little change from last year.

Trading profits of £5.88m, against £5.06m were after depreciation of £512,000 (£425,000). Tax charge is £684,000 (£528,000) but to make direct comparisons, the exceptional deferred tax release of £1.12m in 1979 has been eliminated.

There were also extraordinary debits of £345,000 (£6,000) being the costs of the defence against the attempted takeover by Hiram Walker-Gooderham and Worts. Fixed asset expenditure in the year amounted to £1.64m, compared with £869,000.

Mr. John Macphail, chairman, is taking a cautious line on prospects for the current year. A large percentage of sales of mature whisky go to the U.S. where the market is currently on a plateau.

Another major component for results is new fillings and this is dependent on how customers' brands are doing. The "Famous Grouse" brand appears to be holding up reasonably well.

Prices on the group's best selling brand were last increased in February by the group and Mr. Macphail says they will need to have another increase over the current year.

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INDEX TO COMPANY HIGHLIGHTS

J. W. Spear slips to £583,000 but interim is maintained

Taxable profits of J. W. Spear, games and toy manufacturer, slipped in the first half of 1980 from £715,000 to £583,000, despite sales improving to £3.1m, compared with £2.8m.

The results are in line with the chairman's statement made earlier this year when he said profits for 1980 would suffer some reduction although total sales should show an increase in value.

The six months' trading was adversely affected by the run-down of the group's cash resources by some £1.5m which were devoted to the acquisition of the SIO Group, the construction of the new office building and refurbishment of factory [illegible] the directors say.

[illegible], they add that while the group has to some extent been affected by the general recession in the toys and games industry and export margins have been squeezed due to the strength of sterling, it is continuing to trade profitably.

Turnover for 1980 is expected to slightly exceed last year's in cash terms and satisfactory profits should result bearing in mind all these circumstances, the directors say.

The interim dividend is unchanged at 3p net and directors expect to maintain the final at 3p.

Pre-tax profits for 1979 totalled £1.6m.

The figures for the six months exclude the results of SIO Group which was purchased on March 26, 1980, for £880,000 cash. On sales down from £3.6m to £3.1m, this company incurred a taxable loss of £196,000 (£194,000) in the half year to June 30.

For the 1979 year the company made taxable profits of £162,000.

It is anticipated that SIO (which has a very seasonal business) will at least make good the losses of the first six months during the remainder of the year.

● comment

J. W. Spear, the manufacturer of Scrabble and other games, has done rather better than the other toy-firms to have reported recently. Sales are up 10 per cent in the first half-year and although pre-tax profits are down by nearly 29 per cent, trading profits have held up more firmly than that figure suggests. In previous years, pre-tax earnings have included substantial amounts of bank interest received: last year this amounted to 13 per cent of the total. At present there is an overdraft of about £1m, largely to finance the acquisition last March of the former Dunbee-Combex-Marx subsidiary SIO, which trades in Holland, Belgium and West Germany. The company has at the same time taken on some building costs. The fall in earnings thus masks a relatively good performance, which certainly justifies the Board's present intention to maintain the year's total dividend at 6p. The shares moved ahead 7p to 117p, on which the yield is a well covered 7.5 per cent. After interest charges, pre-tax earnings could be around £1.4m for a p/e of 7.4.

Further growth expected at Feb International

WITH SALES to external customers over £1.5m higher at £7.06m taxable profits of Feb International rose from £224,000 to £354,000 in the first half of 1980.

Chairman Mr. G. Fisher says favourable conditions in the first quarter of the year assisted in enhancing the results for the six months to June 30.

He says that all divisions contributed to the higher trading profits of £653,000 (£422,000) and providing current trends continue, he looks forward to another satisfactory year.

The interim dividend is increased from 0.875p to 1p net—last time a final of 1.575p was paid from pre-tax profits of £618,000.

The surplus for the half-year was struck after charging depreciation on amounts written off of £102,000 (£71,000), net interest payable of £119,000 (£61,000) and pension funds contributions which amounted to £78,000, compared with £66,000.

The group's principal activities include chemical manufacture and retail distribution of building materials.

Brook Street lower midway

THE restriction on recruitment in face of the recession has resulted in Brook Street Bureau of Mayfair, clerical and administrative staff agency, reporting a drop from £1.15m to £754,522 in pre-tax profits for the half-year to June 30, 1980. Turnover rose from £12.02m to £12.4m.

Mr. Eric Hurst, the joint chairman, says the board cannot necessarily expect trading in the second half of the year to yield a profit.

The board says the necessity of restricting recruitment has manifested itself with increasing severity, more particularly from May onwards. The impact of adverse trading conditions in the UK has been tempered by the imposition of rigorous economies and by profits from the company's Australian subsidiaries.

It says the return of business confidence, which clearly must precede a reduction in the numbers of unemployed, is, perhaps, the factor most likely to result in the resumption of normal earnings.

After tax substantially lower at £357,483 compared with £611,683, and extraordinary debits of £9,337 (£45,516) resulting from exchange rate adjustments, net profits have fallen from £494,655 to £387,702.

Dividends again absorb £117,352

● comment

Jubilation after last year's profits of £2.7m has been replaced at Brook Street by cautious pessimism. Pre-tax profits for the first half show a 35 per cent decline. Turnover, which increased by 28 per cent during 1979, rose by a mere 3 per cent as the impact of growing UK unemployment began to hit the group's agency business at the end of March. About 10 per cent of the company's staff has been made redundant so far this year and more redundancies are anticipated as the company is planning to rationalise its network of about 175 branches in the next six months. The group's Australian subsidiary, which returned to profitability last year, increased its contribution to the interim profits but this was of minor significance compared to the deteriorating position in the UK, where 94 per cent of the company's business was transacted last year. Although not prepared to rule out the possibility of a trading loss in the second half, the company is confident that it will produce a profit this year. There are no borrowings and the company remains liquid, even though it has run down its cash balances of £2.4m shown in the last accounts. The shares, which fell 2p to 42p, yield 14.7 per cent on the basis of an unchanged dividend. The dividend cover last year was about 2.8 times.

Sterling Credit unveils the details of its rescue package

BY ROBERT COTTRELL

STERLING CREDIT, the instalment credit, financial services and insurance broking group, yesterday unveiled details of a financial package intended to rescue the group from its grave trading position.

The share price fell 5p to 7p on yesterday's news.

The plan calls for a recapitalisation through the raising of £1.55m by a rights issue and a subscription for new capital, plus a re-structuring of bank debt.

It follows management changes which see Mr. Nicholas Oppenheim installed as managing director, Mr. Eric Lombard Knight and Mr. Alexander Cassels as non-executive directors, while Mr. Peter Wreford and Mr. Norman Baldock leave the board. Former managing director Mr. John Biles, who resigned the post in April, has also left the board.

Mr. Oppenheimer is chief executive of Kellock Trust. Together with his family he also owns Scottish General Holdings (SGH), which would emerge from the recapitalisation with 27.5 per cent of the voting rights of Sterling. Mr. Knight, the founder of the Lombard banking group, is also a director of Kellotck, and is credited with the initiative behind the package.

The equity element of the deal comprises:

● An underwritten rights issue of 24,479,375 new "A" ordinary shares, to raise £1.42m.

● 1,175,010 new 12.75 per cent redeemable cumulative first preference shares of £1.

● An issue of 12,999,378 "A" ordinary shares, subscribed for by SGH, raising £130,000.

● Reduction in the par value of existing ordinary shares from 10p to 1p by writing off the losses of the group.

Arrangements with bankers comprise:

● An agreement with group clearers the Midland Bank to translate £750,000 of the group's overdraft into a subordinated convertible unsecured loan at 4½ per cent over base rate, on which interest is non-cumulative, and only payable in years when group profits exceed £400,000 after taxation but before preference dividends.

● An agreement with the Bankers Trust Company to settle for £750,000 group debts of £1m.

The terms of the rights issue are: for every 50 ordinary shares registered on October 17, one rights unit comprising 125 "A" ordinary shares and six new preference shares, at £7.25 per rights unit. The units are not immediately divisible.

Sterling's problems derive from a diversification in which high premiums were paid for acquisitions, at the expense of a capital base for its lending operations.

The most recent balance sheet, at March 31, 1980, shows shareholders' funds of £1.281m, supporting net borrowings of £3.852m. But a qualifying note from auditor Peat, Marwick, Mitchell, states that balance book valuations of £2.026m for investment by the holding company in subsidiaries, and £1.91m on the consolidated balance sheet for premium on acquisition of shares in subsidiaries, are considered by the auditor to be "substantially in excess of their current value."

In his last annual statement, chairman Mr. George Morgan stated to "high interest rates coupled with restricted ability to fund lending in the finance division, the effect of a strong pound on the insurance division and high overheads generally" contributed to losses totalling an attributable £917,000, compared with prior year attributable profits of £213,000. Over four-fifth's of the company's lending is an a fixed-interest basis.

In the current year, say the directors, the same problems have resulted in a further substantial loss which "cannot at present be quantified" owing to "the inadequacy of supporting informatino."

A pro-forma version of the March balance sheet, assuming retrospective implementation of yesterday's package, would show shareholders' funds (including goodwill) up to £3.707m, with bank overdrafts and loans down from £5.113m to £2.719m. If the recapitalisation had been effected at the beginning of the last financial year, says the board, pre-tax losses would have shrunk from £792,000 to £387,000.

Sterling is a licensed deposit-taker under the 1979 Banking Act, and further deterioration in trading could have triggered action by several regulatory agencies including Lloyds, the Department of Trade, and the New York State Banking Authority.

An additional cause for concern by the authorities is the presence in Sterling's books of money from external depositors. Customer deposit accounts totalled £1.721m at year-end, mostly small savings from the public.

The Bank of England was kept informed of the company's trading position, but is understood to have maintained only a passive interest in the shaping of the recapitalisation.

Sterling plans an extraordinary general meeting for November 10. If it approves the package, dealing in the new shares would begin nil paid the next day, with payment in [illegible] by December 2.

Overall, the effect of the capital increase is to reduce the voting and dividend rights of existing ordinary shares to 20.7 per cent. SGH has underwritten the issue, but has in turn arranged a sub-underwriting. Mr. Oppenheim is said not to be planning a trading merger between Sterling and Kellock, but as part of a strategy to reduce overheads, the two groups may share certain administrative functions.

Mr. Oppenheim's services will be furnished by SGH for an initial annual fee of £42,000, to be index-linked to the RPI, but with a profits-related formula which could reduce payment to a minimum £25,000 in poor years.

Of Sterling's major shareholders, the Imperial Tobacco Company, holding 7.9 per cent, will take up its rights, while Wren Trust, with 17.33 per cent, part of Gresham Trust on whose board Mr. Wreford and Mr. Baldock sit, is considering the matter but is not expected to do so. Mr. Morgan, who holds over 17 per cent, will take up a proportion of his rights.

The company says it has already received irrevocable undertakings to take up rights in respect of 26.8 per cent of existing shares.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Bishopsgate Trust int.	3.5	Dec. 11	2.8	—	9.95
Brook St. Bureau int.	1.14	Jan 5	1.14	—	4.14
Bryant Hldgs.	3.5	—	2.95	5	4
Feb International int.	1	Dec. 8	0.88	—	2.5
Highland Distilleries	1.8	—	1.55	2.6	2.1
Ldn. Scot. Finance ...	1.5	—	1.31*	2.03	1.76
Lowland Inv.	2.15	Dec. 15	2	3.75	3.2
North Sea Assets ...	2	Dec. 22	1.67	2	1.67
J. W. Spear ....int.	3	Nov. 28	3	—‡	6

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Final expected to be maintained at 3p. § Includes special non-recurring payment of 1.4p.

Fairbairn—nothing left after creditors are paid

Shareholders of Fairbairn Lawson will shortly receive confirmation from Mr. Bill Mackey of Ernst and Whinney, as receiver, that there will be nothing over after creditors are paid.

The engineering group was placed in receivership in April after several abortive attempts to save the company, the most important of which was an offer for Greenbat, the major subsidiary where unexpected losses had come to light in the spring of 1979. The collapse of that offer led to the withdrawal of a bid for the rest of the group.

A number of assets were then sold but when negotiations fell through for the sale for £1.75m of the Wellington Industrial Estate in Leeds, the company's bankers called in the receiver.

Yesterday a spokesman for Mr. Mackey said that he was "in active negotiations" over the site.

North Sea Assets ahead

PRE-TAX revenue of North Sea Assets, an investment company specialising in oil and gas, rose from £283,000 to £450,000 in the year to September 30, 1980. Income was £27,000 lower at £1.2m.

The net asset value per share has risen 30 per cent from 132.02p to 171.92p, and the dividend for the year is raised from 1.67p to 2p. Stated earnings per share are 2.45p (1.33p).

The balance sheet shows that investments rose from £13.44m to £16.11m. Deposits total £5.33m (£5.95m). Land rig assets net of depreciation amounted to £1.21m (£1.3m).

Total assets were £22.69m against £20.53m.

94 companies wound up

Compulsory winding up orders against 94 companies were made by Mr. Justice Slade in the High Court today (Monday). They were:

Alex Securities, P. Leiner and Sons (Wales), Abbott and Company (Straw Products), Bushey Motor Company, Hession Brothers (Contractors), Michael Cohen and Sons (Hats), Aboyneville, Cameron Timber.

Norjo International Company, GA Fasteners, Davencroft Engineering, Roymar Fruit, Portentgrade, Sackett Publishing Services, C.R.A.H. Construction Company.

Ronray Wholesale, Whiteride Vehicle Rental Specialists, Combustion Chemicals, P.P. Properties, K. Openshaw, Bomak (Brickwork), Robintide, Phelps and Davis Transport Services.

St. Ives Fish Company (Cornwall), Asser Factors (Southern), Monzaray.

Flaregas Engineering, Postwrights, L.E.F. Electrical, Walworth Timber Co., Motorlectrics (Essex), Birchwood Wines, Hambleway, Merlin Securities, J. Harca (Electronics).

Amar Shops, Peckston Shipping, Celldown, Stewart Dawson, Atlantic Plastering Services, Leighton Davies Car Sales, Linkbest, Radcliffe Borough Association Football Club.

Well Designed Garages, Daylen Catering, Dabella Footwear, Gateway to Health (Stockton), T.S.P.D.M., Allister Transport, Hamworth Electrical Contractors, Abel Private Hire, Anglo-American Business Machines.

Arthur Smith Contractors (Medway), Ashbury Properties, Durate Properties, L. & C. Plant Hire, Woodmill Estates (Southern England).

Lynbrook Seafood Company, P. McCrory, Properhomes.

Pendil Properties, R. Buckwald, Tamworth Automatics (West), Tolvenny Group Clearings, Mercury Challenger, Matisse Hair Fashions, McDonald and Judd, M.G.L. (Fashions), Tru-Dawn, Mr. Bradley.

David Mayne, M.E.H. Realisations, Fircedar, Thorman, Simms and Cooke (Southern), Edward Hart and Co., Halifax Construction and Heating Co., Lawdon.

BMZ (Enterprises), Frank Breyner Sports, Atom Hospital Equipments and Instruments, Fraser Orme and Partners, Van Praagh Estate Agents, Jagstar, Principality Motors, Wharmby Roofing Contractors, Nashaul, Photosafe, A. and V. Designs, Beamforge, Dapfield.

Parkdale (Antiques); Actondene; Phillipson and Nephew (Gunmakers).

October 17	Price %	+ or −
Banco Bilbao	252	+4
Banco Central	282	+4
Banco Exterior	217	
Banco Hispano	241	−4
Banco Ind. Cat.	125	+1
Banco Madrid	141	
Banco Santander	284	+3
Banco Urquijo	132	
Banco Vizcaya	261	+4
Banco Zaragoza	248	
Dragados	110	
Espanola Zinc	71	
Fecsa	64.2	−1
Gal. Preciados	32.5	−0.5
Hidrola	68.2	−0.8
Iberduero	65.5	
Petroleos	113	
Petroliber	88.5	
Sogefisa	102	
Telefonica	83	
Union Elect.	68.7	

APPOINTMENTS

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB — Telephone 01-621 1212

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	42	Airsprung	41	−1	6.7	16.3	2.4
50	21	Armitage and Rhodes...	22	−1	1.4	6.4	9.1
173	92½	Bardon Hill	172	—	9.7	5.6	6.5
100	74	County Cars 10.7% Pf.	74	—	15.3	20.7	—†
101	83	Deborah Ord.	85	—	5.5	6.8	4.7
126	88	Frank Horsell	118	—	7.9	6.7	3.7
129	65	Frederick Parker	65	—	11.0	16.9	3.0
156	80	George Blair	80	—	3.1	3.9	—
85	45	Jackson Group	85	—	6.0	7.1	3.2
153	103	James Burrough	122	—	7.9	6.6	10.0†
310	242	Robert Jenkins	310	—	31.3	10.1	—
232	175	Torday	217	—	15.1	7.0	3.7
34	10	Twinlock Ord.	11½	—	—	—	—
90	70	Twinlock 15% ULS ...	82	—	15.0	18.3	—†
56	23	Unilock Holdings	41	—	3.0	7.3	6.3
101	42	Walter Alexander	99	—	5.7	5.8	5.5
245	136	W. S. Yeates	240	—	12.1	5.0	3.9

† Accounts not prepared under provisions of SSAP 15.

Bryant Hldgs. profit upturn

AFTER crediting an exceptional item of £1.35m, profits before tax of Bryant Holdings, the building, property developing and engineering group, rose to £7.91m in the year ended May 31, 1980 compared with £4.76m in the previous year.

The exceptional item represents the amount being written back out of a total provision of £2.6m, made in 1978 and follows a better-than-expected settlement in the group's Saudi Arabia operation.

The board is recommending an increased final dividend of 3.5p (2.9508p) to lift the year's total from 4p to 5p per share. A one-for-one scrip issue is also proposed. Stated earnings per share, exclusive of deferred tax written back, are 21.6p against 11.5p.

Mr. A. C. Bryant, chairman, says the year's results stemmed from the continued success of the private housing activities coupled with increased quality earnings from property developments.

The group has had a good first quarter in the current year and Mr. Bryant hopes that creditable results will be presented in 1980-81.

The land bank has only slightly increased from last year, but despite the downturn in housing land prices, the directors are still of the opinion that the present value substantially exceeds the balance sheet figure.

	Year 1979-80 £000	1978-79 £000
Turnover	82,000	57,000
Operating profit	6,507	4,040
Associates profits	54	716
Exceptional credit	1,351	—
Profit before tax	7,912	4,756
Tax	3,576	†2,077
Net profit	4,336	6,833
Dividends	1,014	814
To reserves	3,322	6,019
Reserves at May 31	19,280	13,413

† Credit.

Despite a substantial increase in work in progress, bank borrowings and loans remain almost constant at some £6.3m. At the year end, investment properties were valued at £7.75m, a rise of £2.4m over last year.

Net rents increased to £894,000 from £663,000 and the group is now beginning to feel the benefit of rent reviews, which on valuation amounts to £640,000 included in the £1m surplus on revaluation.

As announced in January the building and civil engineering activities have been combined into Bryant Construction and a new centre of operations is being created, based on the homes activity in the Reading area.

● comment

After a 4p rise to 85p yesterday, Bryant has come up by 40 per cent since the end-March interim figures and, in the light of the squeeze on housebuilding margins this year and a neutral outlook for industrial rental growth, that may mark an appropriate moment for a period of consolidation. The shares, nevertheless, still seem well supported. The fully taxed p/e, excluding the Saudi clawback, is 5.2 and the yield is 8.8 per cent. Housebuilding/property hybrids are notoriously hard to value but the 33 per cent discount to re-stated assets per share of 121p is not making over-optimistic assumptions about reversionary income. The dividend, moreover, is almost covered by net rents and debt is broadly unchanged despite a near £7m rise in stock and work-in-progress to £18m. The contracting division has absorbed above the line reorganisation and redundancy costs of around £300,000 and made little contribution to profits last year. Its order book stands at between £25m-£30m and will probably shrink further given the group's unwillingness to buy turnover. Bryant looks to have gone proportionately as far down the industrial property road as the larger Fairview Estates and the latter's remarks concerning the fluctuations in housebuilding price/cost relationships are also very apposite in this case.

Increased losses at Spong

Due mainly to a decline in demand for the group's traditional products in overseas markets, and the continuing strength of sterling, Spong and Co. hardware manufacturer, has suffered increased losses for the first half of 1980 of £350,000 against £133,064.

Although home sales rose from £323,615 to £751,993 exports fell by 29 per cent leaving total sales unchanged at £1.08m.

Mr. D. W. Spong, chairman, says that during the six months the group has continued with its reorganisation and has effected economies in overheads where possible.

The chairman explains that with outside professional assistance, the directors have formulated a contraction programme involving the discontinuation of certain activities, which the company could not continue to operate profitably.

A substantial reduction in staff was required, and accordingly notices were given to 158 out of a 218 total on September 8, to take effect on December 5 this year.

The company intends to relocate to smaller rented premises, allowing its leasehold premises to be sold.

The company's bankers have agreed to provide additional finance during the programme's implementation.

British Sidac falls to £0.47m in first half

TURNOVER of British Sidac, a subsidiary of the UCB Group of Belgium, rose from £25.26m to £29.22m in the first half of 1980 but pre-tax profits were lower at £465,000 against £723,000 in the same period last year.

While the conversion companies and the company's share in oriented polypropylene film operation have performed satisfactorily, the results have been significantly influenced by the fall in demand for Rayophane cellulose film, the strength of sterling and high interest rates.

In August the group reduced its cellulose film production capacity and, therefore, the numbers employed by 250, mainly at its St. Helens factory, at a cost in termination payments of £1m.

In the second half of the year, present indications are that the management decisions which have been taken, will ensure that the conversion companies and the polypropylene film operation will continue profitably, but significant difficulties in cellulose films will, nevertheless, continue.

Tebbitt rises at mid-year

Despite a rise in interest charges of over £25,000 to £82,016 profits of Tebbitt Group advanced sharply in the first half of 1980 from £425 to £60,845. Sales for the period showed a slight setback to £1.29m, compared with £1.42m.

The surplus of this leather manufacturer, importer and merchant, was struck after depreciation of £42,911 (£21,864) and extraordinary debits of £1,568 (£632). Operating costs were lower at £1.1m, compared with £1.34m.

There is again no dividend—the last payment was in 1967.

The directors say they are pleased with the outcome of acquisitions to date this year which are expected to contribute considerably to profits in the second half. They say they are continuing their stated policy of acquiring suitable investments aimed at increasing existing and future profits and assets of the company.

In his interim statement the chairman, Mr. J. Bentley, points out that the acquisitions of Signgate Properties and the Queens Gate property were effected as from June 25, and the purchase of Hensher (Furniture Trades) was completed on August 27. In accordance with current accounting practice, he says, profits from these sources are included only from the dates of acquisition.

As foreshadowed, it is proposed to change the company's name to Bardsey Ltd. at an EGM on November 14.

A London listing for Lone Star

TRADING in the shares of Connecticut-based Lone Star Industries, the largest cement and aggregates organisation in the U.S., is expected to start in London on November 7.

Headed by Mr. James E. Stewart, Lone Star controls less than 10 per cent of the U.S. cement and aggregates market but sales have doubled since 1976 to top $792m (£326m) last year. The chairman is confident of further rapid growth and the group has invested heavily in new plant in the belief that there will be a shortage of manufacturing capacity when the American economy recovers from the current recession.

Lone Star caused a stir on Wall Street last year by selling its successful building centre activities which had been contributing some 40 per cent of total group earnings. The disposal raised $125m (£51.4m).

More recently, Lone Star has paid $87m (£35.8m) for the Oklahoma cement division of the OKC Corporation but failed in its attempt to buy the cement interests of the New York-based industrial group, Penn-Dixie, for $40m (£16.5m) and withdrew its offer to buy 50 per cent of Bahamas Cement after Federal Trade Commission objections.

The London listing is being arranged by Morgan Grenfell and brokers are Laurence, Prust.

LONDON TRADED OPTIONS

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	300	140	2	148	14	—	—	439p
BP	330	110	—	126	4	134	3	"
BP	360	80	2	98	1	110	—	"
BP	390	50	45	72	6	88	—	"
BP	420	20	24	48	43	64	10	"
BP	460	—	—	28	11	42	—	"
Com. Union	140	21	2	31	—	35	—	161p
Com. Union	160	3	16	16	—	21	5	"
Com. Union	180	½	8	7	—	15	—	"
Cons. Gold	550	83	7	120	2	138	—	631p
Cons. Gold	600	33	20	82	21	103	1	"
Cons. Gold	650	4	2	52	24	73	10	"
Cons. Gold	700	½	9	32	34	50	—	"
Courtaulds	50	15	—	17	—	18½	2	65p
Courtaulds	60	5	65	9	38	13	10	"
Courtaulds	70	½	2	6	3	9	—	"
Courtaulds	80	¼	6	3½	—	—	—	"
Courtaulds	90	¼	1	2	—	—	—	"
GEC	460	70	—	95	—	113	5	528p
GEC	500	30	8	65	8	83	—	"
GEC	550	1	5	35	—	53	—	"
Grand Met.	120	36	21	42	1	—	—	155p
Grand Met.	130	26	1	33	—	—	—	"
Grand Met.	140	16	25	25	—	30	—	"
Grand Met.	160	1	32	11½	51	19	—	"
Grand Met.	180	½	—	5	6	10	12	"
ICI	330	1	—	22	5	30	—	321p
ICI	390	¼	—	5	5	11	4	"
Land Secs.	353	36	24	56	—	—	—	382p
Land Secs.	390	3	20	33	—	48	—	"
Marks & Sp.	90	19	1	22½	5	30	—	108p
Marks & Sp.	100	9	5	14½	96	21	—	"
Marks & Sp.	110	2½	4	8½	2	15½	—	"
Shell	390	56	1	78	—	90	—	445p
Shell	420	25	24	57	13	74	5	"
Shell	460	3	—	34	43	50	—	"
Totals			382		436		67	
		November		February		May		
Imperial Gp.	80	2	—	6	55	9	—	76p
Lonrho	94	24	1	32	—	—	—	117p
Lonrho	104	15	2	24	—	—	—	"
Lonrho	114	7	7	15½	6	—	—	"
Lonrho	120	4	15	13	13	20	—	"
P. & O.	110	11	5	16	—	21	—	116p
P. & O.	120	5½	—	10½	2	15½	—	"
Racal Elec.	280	46	—	64	—	79	2	322p
Racal Elec.	300	30	—	50	1	65	5	"
Racal Elec.	330	12	6	33	1	48	1	"
RTZ	324	147	1	—	—	—	—	463p
RTZ	354	117	—	127	3	—	—	"
RTZ	414	57	—	70	—	97	2	"
RTZ	454	27	1	42	—	67	4	"
RTZ	494	11	11	25	1	47	1	"
Totals			49		82		15	

BIDS AND DEALS

COMPANY ANNOUNCEMENT

WESTERN DEEP LEVELS LIMITED

(Incorporated in the Republic of South Africa)

OFFER OF 12 PER CENT UNSECURED DEBENTURES

In respect of the offer to members registered on September 19 1980 of 60 000 000 12 per cent unsecured debentures 1986/1993 of R1 each, at par, in 1 000 000 units of 60 debentures each, subscriptions have been received for approximately 98.5 per cent. The balance of approximately 1.5 per cent of the debentures offered will accordingly be subscribed for in terms of the underwriting agreement.

The offer closed on October 17 1980. Certificates in respect of the debentures subscribed will be posted to applicants on or about November 7 1980. Subscribers for the debentures will then also be issued with certificates for the share options to which they are entitled in terms of the offer.

Johannesburg
October 21 1980

Mystery suitor could pay £22m for Giltspur

GILTSPUR, the industrial services group in which Mr. Maxwell Joseph holds a 23 per cent stake, has received a mystery bid approach which could lead to a near £22m offer for the company.

In response to the possible 115p per share offer, Giltspur's shares rose 20p on the stock market to 105p.

A brief statement from Giltspur yesterday said that it "has been informed that an offer, which at present has a value of approximately 115p per share, may be made for the whole of the share capital. A further announcement will be made in due course."

Grand Metropolitan, of which Mr. Maxwell is head, holds 6.6 per cent of Giltspur, and is understood not to be the bidder.

In its last financial year, Giltspur reported pre-tax profits of £4.6m compared with £4.5m for the year ending March 31, 1980, on turnover of £99.6m, against £85m.

In his chairman's statement Mr. Joseph told shareholders of the group, whose interests range from furnishings and floor-covering hire to engineering design, that "it is difficult to express optimism over the coming months.

Mr. Joseph was still considering yesterday what his Grand Metropolitan Company should do about the blocking of its offer for Coral Leisure, the betting shops and holiday camps company, through a reference to the Monopolies Commission.

Meanwhile, an announcement could appear about Giltspur in the next few days. The bid was described as "sudden" by the group's merchant bankers, Baring Brothers, yesterday.

It is understood that the possibility of an offer was indicated last week by the unnamed bidder.

PHOENIX MINING SHARES SHOULD BE READMITTED SOON

Shares of Phoenix Mining and Finance, reformed as a property holding and development group, should soon be readmitted to the Stock Exchange after a year's absence.

Details of the property acquisitions have been sent to shareholders who will, under Takeover Panel rules, have to vote by means of a formal poll on the deals at a special meeting on November 3.

The plan is for Phoenix to buy two industrial estates in Derbyshire and Nottinghamshire, producing £79,470 in rental income at March last, plus 6.5 acres of industrial development land.

The price has been set at £1.25m compared with a certified open market value of £1.48m, and will be paid through the issue of shares at their 25p par value to the vendors.

The Takeover Panel's decision over the voting procedure arises because the vendor is Burrows (Builders), a private construction company based in Derbyshire, whose shareholders formed part of a consortium which now controls Phoenix after a takeover last year.

At that time the consortium acquired 50.52 per cent of Phoenix at 25p a share, made a similar offer for the remainder but placed sufficient shares to reduce its holding to 41.66 per cent.

Similar arrangements will be made this time with the result that the consortium will ultimately own 45.07 per cent of the enlarged capital. The Panel has waived the obligation for another full bid but has laid down that the members of the consortium and directors of Phoenix who are also part of the consortium cannot vote on the issue.

Phoenix's independent shareholders have been advised by Henry Ansbacher which believes the deal to be fair. The directors claim it will provide strong asset backing plus "the prospect of increasing income as rent reviews fall due."

Mining Supplies will not raise its offer for Laurence Scott

Mining Supplies, the Doncaster company which is bidding for Laurence Scott, the electrical machinery and control gear maker, will not increase its offer for Scott.

Mr. Arthur Snipe, chairman and managing director of Mining Supplies, has given the warning in a letter to Laurence Scott shareholders.

In his letter he has told shareholders that profits of his own group had moved ahead. For the first five months of trading to September 28, 1980, turnover was £11.8m compared with £8.4m and profit was £2m compared with £0.3m.

The current business is being maintained at a satisfactory level with a lively increase in export markets. The 60p cash alternative offer will close on October 22 while the offer is extended to November 5.

Under the terms of its bid Mining Supplies is offering eight of its shares for every 17 Scott shares. With shares of Mining Supplies standing at 124p yesterday, the bid values Scott at £5.5m.

JOHN BAKER (INSULATION)

Mr. John Bentley has completed the transformation of John Baker (Insulation) into a video-tape and home entertainments business.

The company has announced formal approval for its change of name to Intervision Video (Holdings), following the £1.35m cash acquisition of a video-tape rental business of this name and the signing of a $2.5m deal to buy films from United Artists.

The final stage of the reconstruction was signalled yesterday when Mr. John Baker, Mr. Bentley's father-in-law, announced that he was buying back the insulation business for £195,000.

To pay for the purchase, Mr. Baker has exercised his conversion rights to his preferred shares — by paying Intervision £132,500 and then placed his entire holding of 1.865m shares.

The sale of the insulation business is conditional upon shareholders' approval.

STANLEY GIBBONS EXPANDS IN U.S.

Stanley Gibbons International has formed Stanley Gibbons North America Inc. as a holding company for four U.S. operating subsidiaries and has also started Stanley Gibbons Auction Galleries Inc, to conduct rare stamp auctions.

The first auction is expected to be on November 18. In establishing Stanley Gibbons North America, the group has bought back all rights to the SG name in that country.

The rights were bought back from a company that previously had been authorised to use the name in a small retail stamp business in New York.

AAH makes agreed £5.8m bid for Renwick Group

AAH, the fuel distribution, road haulage, engineering and builders' merchanting group, has made an agreed £5.8m bid for the Renwick Group, the motor cruiser manufacturer with interests in road haulage and fuel distribution.

AAH is offering 65 AAH 8½ convertible cumulative £1 preference stock units credited as fully paid for every 100 ordinary shares of Renwick.

On this basis, Hoare Govett, brokers to AAH, has confirmed that using a mid-market price of AAH ordinary stock units of 180p, the AAH preference stock units will be worth not less than their par value.

This ordinary offer values the whole of the Renwick share capital at not less than £5.8m and values each Renwick share at 65p.

On the London stock market yesterday, AAH shares rose 2p to 182p while Renwick rose 9p to 59p.

Outlining the background behind the move, which has been recommended to their shareholders by Renwick directors, both groups pointed to their interest in the Western Fuel Company.

Both AAH, with a 25.125 per cent stake, and Renwick with a 50 per cent stake have traded as partners for the last 11 years together with the National Coal Board as partners in Western Fuel Company.

It is intended that if the ordinary offer is declared unconditional, Renwicks interest in Western Fuel and Renwick Freight will be transferred to British Anthracite Sales, a company within the British Fuel Company Group, at a value of some £3.5m.

Western Fuel Company will retain its identity as part of British Fuel Company Group. In a joint statement both AAH and Renwick said "it is the firm belief that this closer relationship will lead to improved trading opportunities for both Western Fuel Company and British Fuel Company."

Renwick Freight has for some years incurred substantial trading losses and rationalisation has been proceeding for some time.

"It has been recognised by the Renwick board that further rationalisation is necessary to return the division to profitability and it is intended that this re-organisation will now take place within the framework of British Fuel Company's road haulage activities."

The Renwick Group consolidated accounts for the period ending March 29, 1980 showed profits before tax and extraordinary items of £1.6m on a turnover of £65.9m and profit after tax and minorities but before extraordinary items of £1.195m. Net tangible assets attributable to ordinary shareholders at that date amounted to £3.383m.

For its year ending March 31, AAH reported pre-tax profits, before extraordinary items, of £9.07m on turnover of £336m and net attributable profits before extraordinary item, of £3.9m. Net tangible assets attributable to AAH shareholders amounted to £16.97m.

As part of its bid, AAH is offering 83.3625 AAH preference stock units for every 100 4.9 per cent convertible cumulative redeemable £1 preference shares of Renwick. AAH is also offering 200 of its preference stock units for every 100 10 per cent convertible cumulative redeemable £1 Renwick preference shares.

The offers together value the whole of the Renwick issued share capital at not less than £7.2m. If the Ordinary offer becomes unconditional, Renwick will declare a special interim dividend of 2.1p, payable on February 4.

BP BUYING 50% OF NORWEGIAN COMPANY

BRITISH PETROLEUM is to take a 50 per cent stake in T. Skretting AS, of Stavanger, Norway, that produces animal feedingstaffs, particularly feed for fish farming, as part of an industrial co-operation deal.

It will pay some NKr 20.5m for its stake in the company, and may inject a further NKr 20m later, without increasing its ownership stake.

In addition, a BP subsidiary which makes animal feedingstuffs, Trouw and Company NV, Holland, will help Skretting to market its products in Europe, and give the Norwegian company access to Trouw's research into feedstuff technology.

LAWRIE PLANTATION

Jatel has acquired 4,000 shares of Lawrie Plantation Holdings making its holding 131,000 shares (5.15 per cent). Jatel and its parent company, Camellia Investments, now hold 1.26m shares (49.57 per cent).

SHARE STAKES

Tarrow Chemicals Holdings — J. K. Farrow, director, has disposed of 50,000 shares at 30p and 50.000 at 31p leaving holding 2,018,784 shares (34 per cent).

Rand Mines Limited

A Member of the Barlow Rand Group

Gold Mining and Colliery Company Reports for the Quarter ended 30th September, 1980

(All Companies incorporated in the Republic of South Africa)

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London EC1P 1AJ.

HARMONY GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R13 442 325 IN 26 884 650 SHARES OF 50 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1980.

OPERATING RESULTS—ALL PRODUCTS	Quarter ended 30.9.1980	Quarter ended 30.6.1980
Ore milled (t):	1 950 000	1 898 000
Gold—produced (kg):	7 853	8 085
—yield (g/t):	4.03	4.26
Uranium—pulp treated (t):	1 520 000	1 346 000
—oxide produced (kg)	123 788	115 479
—yield (kg/t)	0.081	0.086
Pyrite-concentrate recovered (t):	20 151	21 036
Sulphuric Acid produced (t):	37 255	32 809
Total Revenue (R/t milled):	73.35	64.18
Total Costs (R/t milled):	32.97	30.73
Total Profit (R/t milled):	40.38	33.45
FINANCIAL RESULTS (000's)—All products		
Revenue—Gold, Silver and Osmiridium	R128 922	R111 725
—Uranium, Pyrite and Sulphuric Acid	R14 112	R10 084
Total revenue	R143 034	R121 809
Costs	R64 286	R58 318
Working profit	R78 748	R63 491
Sundry revenue (net)	R2 051	R1 989
Profit before taxation and State's share of profit	R80 799	R65 480
Taxation and State's share of profit	R45 910	R33 653
Profit after taxation and State's share of profit	R34 889	R31 827
Capital expenditure	R6 340	R7 019
Dividend declared	R53 769	—

DIVIDEND

Interim dividend No. 48 of 200 cents per share was declared on 11th September, 1980 payable on or about 7th November, 1980 to shareholders registered at the close of business on 26th September, 1980.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R9.6 million including R756 000 for the new uranium plant. The estimated total capital expenditure for the remainder of the current financial year is R20.8 million which includes R972 000 for the new uranium plant.

For and on behalf of the Board.
D. T. WATT (Chairman)
R. J. J. FOURIE
Directors

14th October, 1980.

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R6 000 000 IN 24 000 000 SHARES OF 25c EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1980.

OPERATING RESULTS	Quarter ended 30.9.1980	Quarter ended 30.6.1980
Gold		
Ore milled (t):	531 000	530 000
Gold produced (kg):	4 621.6	4 718.6
Yield (g/t):	8.70	8.90
Revenue (R/t milled):	142.29	122.95
Cost (R/t milled):	43.71	37.89
Profit (R/t milled):	98.53	85.06
Revenue (R000's):	75 557	65 165
Cost (R000's):	23 210	20 082
Profit (R000's):	52 347	45 083
Uranium Oxide		
Pulp treated (t):	468 448	474 036
Oxide produced (kg):	74 240	79 679
Yield (kg/t):	0.158	0.168
FINANCIAL RESULTS (000's)		
Working Profit: Gold	R52 347	R45 083
Working Profit: Uranium Oxide	R2 518	R2 081
Sundry revenue (expenditure) (net):	(R555)	R74
Profit before taxation and State's share of profit	R54 310	R47 238
Taxation and State's share of profit	R31 238	R26 516
Profit after taxation and State's share of profit	R23 072	R20 722
Capital expenditure	R2 884	R3 461
Dividend declared	—	R44 400

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R1 002 000. The estimated total capital expenditure for the remainder of the current financial year is R14.4 million.

TRIBUTE AGREEMENT WITH WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

In terms of a tribute agreement between West Driefontein Gold Mining Company Limited and this company, concluded on 9th November, 1979, royalties amounting to R1 838 000 are due to that company for the quarter ended 30th September, 1980. This amount is included in "Sundry expenditure (net)".

For and on behalf of the Board.
D. T. WATT (Chairman)
J. R. FORBES
Directors

13th October, 1980

DURBAN ROODEPOORT DEEP LIMITED

ISSUED CAPITAL: R2 325 000 IN SHARES OF R1.00 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1980.

OPERATING RESULTS	Quarter ended 30.9.1980	Quarter ended 30.6.1980
Gold		
Ore milled (t):	560 000	548 000
Gold produced (kg):	1 862.8	1 899.0
Yield (g/t):	3.33	3.47
Revenue (R/t milled):	53.50	48.47
Cost (R/t milled):	32.98	29.72
Profit (R/t milled):	20.52	18.75
Revenue (R000's):	29 959	26 563
Cost (R000's):	18 467	16 289
Profit (R000's):	11 492	10 274
Pyrite		
Pyrite concentrates sold (t):	4 998	7 005
FINANCIAL RESULTS (000's)		
Working Profit—Gold	R11 492	R10 274
Working Profit—Pyrite	R53	R91
Sundry revenue (net):	R359	R343
Profit before taxation	R11 904	R10 708
Taxation	R4 910	R4 851
Profit after taxation	R6 994	R5 857
Capital expenditure	R2 185	R1 295
Dividend declared	—	R3 720

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R926 000. The estimated total capital expenditure for the remainder of the current financial year is R5.3 million.

For and on behalf of the Board.
D. T. WATT (Chairman)
N. A. HONNET
Directors

14th October, 1980.

EAST RAND PROPRIETARY MINES LIMITED

ISSUED CAPITAL: R3 960 000 IN SHARES OF R1.00 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1980.

OPERATING RESULTS	Quarter ended 30.9.1980	Quarter ended 30.6.1980
Ore milled (t):	606 000	588 000
Gold produced (kg):	2 954.3	2 984.5
Yield (g/t):	4.88	5.08
Revenue (R/t milled):	78.73	69.54
Cost (R/t milled):	47.81	43.82
Profit (R/t milled):	30.92	25.72
Revenue (R000's):	47 715	40 888
Cost (R000's):	28 975	25 767
Profit (R000's):	18 740	15 121
FINANCIAL RESULTS (000's)		
Working profit—Gold	R18 740	R15 121
Sundry revenue (net):	R641	R559
Profit before taxation and State's share of profit	R19 381	R15 680
Taxation and State's share of profit	R6 977	R4 996
Profit after taxation and State's share of profit	R12 404	R10 684
Capital expenditure	R5 249	R4 873
Dividend declared	—	R6 930

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R5.7 million. The estimated total capital expenditure for the remainder of the current financial year is R13.5 million.

GENERAL

1. The Insurance Claim in respect of the fire which occurred on 13th July, 1980, has not been finalised, but it is estimated that it will be approximately R500 000. Nothing has yet been brought to account.
2. The attention of members is drawn to the rights issue, which was announced on 15th August, 1980. The letters of allocation and circular to members relating to the rights issue were posted to members on 9th October, 1980.
3. The total production loss as a result of the underground fire in 78 W Stope, "H" Shaft, Central Section, at the hoist breakdown and "L" Sub-inclined shaft is estimated at 42 000 tons.

For and on behalf of the Board.
D. T. WATT (Chairman)
N. A. HONNET
Directors

14th October, 1980.

WELGEDACHT EXPLORATION COMPANY, LIMITED

ISSUED CAPITAL: R4 090 813 IN SHARES OF 45 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1980 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARY

OPERATING RESULTS	Quarter ended 30.9.1980	Quarter ended 30.6.1980
Tons sold—metric	487 439	525 182
Working Profit—cents per ton	176.2	303.9
FINANCIAL RESULTS (000's)		
Working profit	R859	R1 597
Net railway revenue	R15	R501
Net sundry revenue	R66	R162
PROFIT BEFORE TAXATION	R940	R2 260
Taxation	(R88)	R964
PROFIT AFTER TAXATION	R1 028	R1 296
Capital expenditure	R701	R330
Drilling and exploration (included in net sundry revenue)	—	R15
Dividend declared	R1 455	R818
Dividend received (included in net sundry revenue)	—	R166

DIVIDENDS

Dividend No. 46 of 16 cents per share was declared on 16th October, 1980 payable on or about 21st November 1980 to shareholders registered on 7th November, 1980.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R870 000.

GENERAL

Export tonnages were lower than the previous quarter as a result of congestion at Durban Harbour. This affected working profits as did higher working costs due to salary and wage increases granted in June 1980, and certain year end adjustments.

For and on behalf of the Board.
A. A. SEALEY (Chairman)
A. B. COOK
Directors

16th October, 1980.

WITBANK COLLIERY, LIMITED

ISSUED CAPITAL: R13 816 852 IN ORDINARY SHARES OF R2 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH SEPTEMBER, 1980 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARIES

OPERATING RESULTS	Quarter ended 30.9.1980	Quarter ended 30.6.1980
Tons sold—metric	2 463 419	2 355 027
Working profit—cents per ton	559.6	579.7
FINANCIAL RESULTS (000's)		
Working profit	R13 786	R13 652
Net sundry revenue	R848	R1 424
PROFIT BEFORE TAXATION	R14 634	R15 076
Taxation	R2 488	R3 449
PROFIT AFTER TAXATION	R12 146	R11 627
Capital expenditure—gross	R9 293	R5 299
Escom funding	R2 150	R1 377
Exploration expenditure—included in net sundry revenue	R116	R90
Dividend declared	R11 054	—

DIVIDEND

Dividend No. 148 of 160 cents per share was declared on 14th August, 1980 payable on or about 26th September, 1980 to shareholders registered at the close of business on 29th August, 1980.

CAPITAL EXPENDITURE

There are commitments for capital expenditure, net of Escom funding in respect of Duvha, amounting to R22 143 000.

For and on behalf of the board.
A. A. SEALEY (Chairman)
N. ZOLEZZI
Directors

14th October, 1980.

GENERAL NOTE
All financial figures are subject to audit.

Copies of these quarterly reports are obtainable from the United Kingdom Registrars and Transfer Agents Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

BASE LENDING RATES

A.B.N. Bank	16 %	¶Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§ 16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	16½%
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
BCCI	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	16 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	16 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	16 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	16 %		
First Nat. Fin. Corp.	18 %		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £50,000 14½% and over £50,000 14¾%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

TOKYO TRUST S.A.

INTERIM DIVIDEND

An Interim Dividend of US$0.40 per share will be payable on 18th November 1980 to holders on the Register on 17th October and to holders of the Bearer Shares against presentation of coupon No. 14 at the Paying Agents:

Singer & Friedlander Ltd., 20 Cannon Street, London EC4M 6XE.

or

Kredietbank S.A. Luxembourgeoise, 43 Boulevard Royal, Luxembourg.

By order of the Board—
TOKYO TRUST S.A.

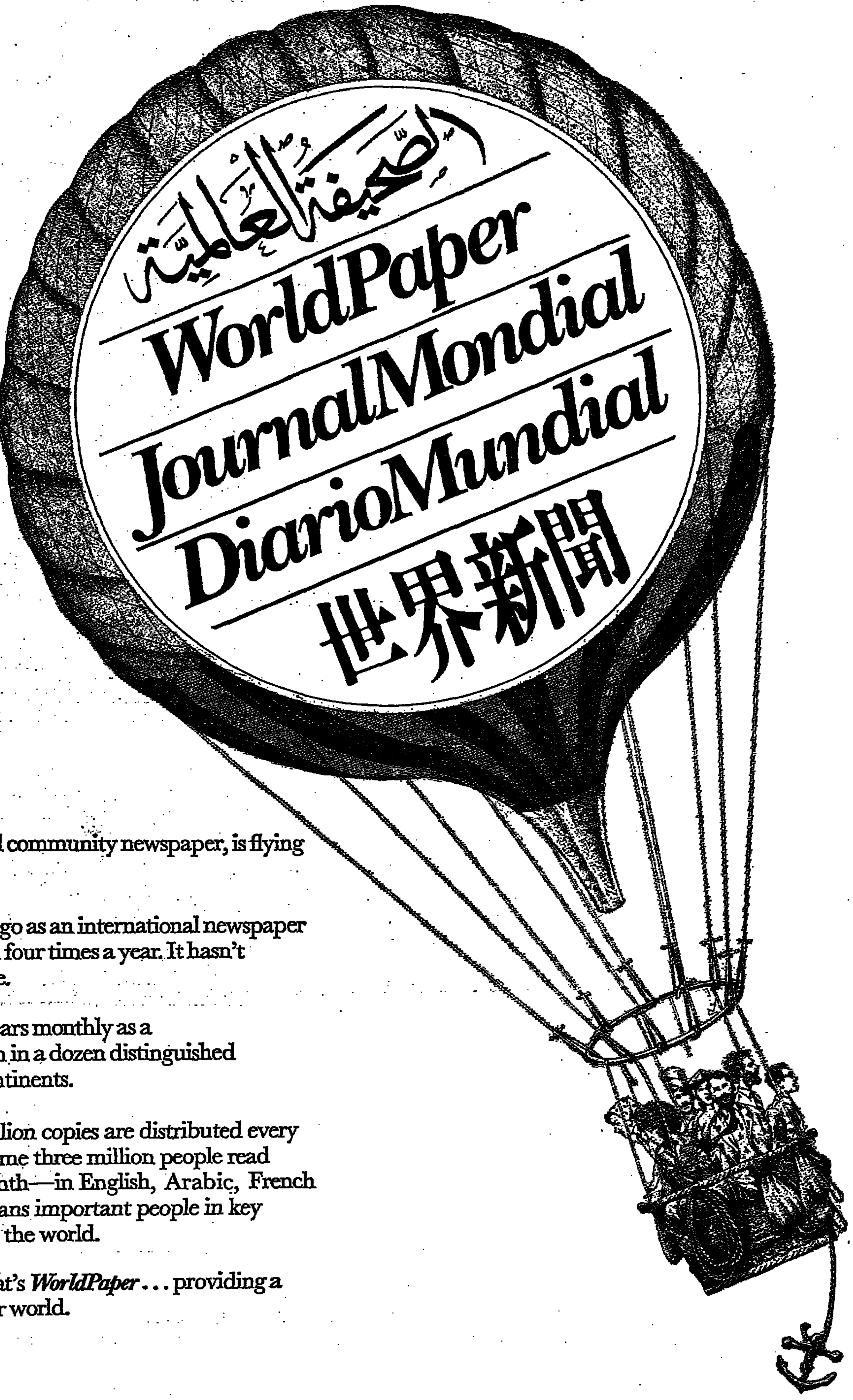
INTERMEX INTERNATIONAL BANK LIMITED

US $20,000,000 Negotiable Bearer Floating Rate Retractable Certificates of Deposit

Final Maturity Date 18th October, 1985

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month Interest Period from 16th October, 1980, to 16th April, 1981, the Certificates will carry an Interest Rate of 13.3125% per annum.

Agent Bank
Banque de Paris et des Pays-Bas, London Branch



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Now *WorldPaper* appears monthly as a 20-page tabloid section in a dozen distinguished newspapers on five continents.

This means over a million copies are distributed every month. This means some three million people read *WorldPaper* every month—in English, Arabic, French and Spanish. This means important people in key gateway cities around the world.

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We're after Beijing, Canberra, Washington, and Nairobi.

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EL DIARIO DE CARACAS
Caracas

EL TIEMPO
Bogota

EL COMERCIO
Quito

We plan to be in Mexico City.

In East Asia

The Times Journal
Manila

Hongkong Standard
Hong Kong

THE NATION REVIEW
Bangkok

We want to be in Singapore next.

In the Middle East

ARAB TIMES
Dubai

Khaleej Times
Kuwait

an nahar arabe et international
Beirut

Associate Editors


Tarzie Vittachi
At Large


Yoshiko Sakurai
Northeast Asia


Mochtar Lubis
Southeast Asia


Arun Chacko
South Asia


Hilary Ng'weno
Sub-Sahara Africa


Silviu Brucan
Eastern Europe


Jacqueline Grapin
Western Europe


Anthony Westell
North America


Carlos Rangel and
Sofia Imber
South America


Mark Gerzon
At Large

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MINING NEWS

Share buyers hurry back for Australian mines

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIAN mining sharemarkets jumped for joy Down-Under yesterday, not so much because of the virtues of the Liberal Administration but mainly because Saturday's Federal Election had not brought the Labor opposition to power. The metals and minerals index bounced up 606.59 to 7,025.52 and turnover expanded to a near record.

London prices opened strongly, but not quite as high as their counterparts in Sydney. A certain amount of selling then developed but it was met with fresh buying in a market described as hectic by leading dealers. Closing prices were only a little below the day's highest levels in most cases.

Western Mining were finally 27p up on the day at 302p after 309p while similar gains were seen in CRA at 335p and MIM Holdings 284p. Among the uraniums, Pancontinental were finally 35p to the good at 395p after 425p while Peko-Wallsend were around the day's best levels with a rise of 60p to 600p. Gold Mines of Kalgoorlie rose 13p to 563p after 578p.

The question being asked was, of course, what happens next? A key to the answer must lie in just how much the market has been checked in previous weeks by the possibilities of a Labor Party win at the polls. There has been a certain amount of precautionary selling, while there is no doubt that a good deal of purchasing on behalf of major institutions and other investors has been hanging fire pending the outcome of the election.

It would be naive to think that the pent-up demand was entirely unleased yesterday. It is argued that the shrewd buyers would wait until the initial market euphoria waned and that they would then move in under more favourable dealing conditions. At the same time, however, investment managers live with a dread of missing the boat.

Market observers were thus inclined to feel that the rise could go further but if it falters in the next few days, the underlying demand will act as a cushion. It also suggested that the more speculative exploration issues might take advantage of the post-election relief to become even more than usually forthcoming with exploration news which, to a large degree, could have fallen upon fallow ground in the recent weeks.

Overall, we could see some erratic movements in the sharemarket for the next week or so, but then the "normal" market forces should again dominate thinking. In the meantime UK investors holding good-class long-term investments should, as before, sit tight while those seeking to purchase might decide to bide their time for a while; world economic conditions have not changed.

Profits rise at Freeport

NET INCOME of America's Freeport Minerals for the third quarter ended on September 30 advanced by more than one-third from $27.8m to $37.9m (£15.8m), on the back of sales up by $52m to $181.5m.

This sparkling performance lifted net income for the nine months by 44 per cent to $106.8m, or $3.45 a share, from $75.4m or $2.40. Sales for the nine months were $485.5m compared with $357.4m.

The group's interests stretch from sulphur through oil, gas and uranium to base and precious metals. Sulphur seems to have been one of the main contributors in the latest quarter.

Freeport said that the recent hostilities in the Persian Gulf had interrupted the supply of about 65,000 tons per month to the world market from the region. As a result, the group's own stocks were reduced by a further 80,000 tons in the third quarter.

Freeport is expecting continued high demand for fertilisers from U.S. farmers. The new Caillou Island sulphur mine has been brought to completion some two months ahead of schedule, and first production is expected shortly, which will help to relieve the group's supply problems.

Development of the new Ertsberg East underground copper, gold and silver orebody is also ahead of schedule, and running well under the budgeted $101.5m. Initial ore production is expected before the end of the year.

Rand Mines group gold profits rise

THE PATTERN of earnings boosted by a higher gold price in the face of rising costs and in most cases, of reduced gold production resulting from the milling of lower average ore grades is followed by the September quarterly reports of the South African gold mines in the Rand Mines group.

Average gold prices received by the mines in the past quarter are around $670 per ounce compared with $565 in the June quarter; prices received by individual mines vary according to the timing of gold sales.

The latest quarterly net profits are compared in the following table.

	Sept. qtr. R000	June qtr. R000	Mar. qtr. R000
Blyvoor	23,072	20,722	[illegible]
Durban Deep	6,994	5,857	[illegible]
E. Rand Pty.	12,404	10,684	[illegible]
Harmony	34,887	31,827	[illegible]

All the profits make a good showing. Those of the marginal producer, Durban Deep, come out particularly well thanks to a further increase in ore milled. While the mine's dividend increase prospects are limited to some extent by its high capital spending, an interim dividend was declared in June of 100 cents (88p) which compared with total payments of 155 cents for 1979.

Another marginal mine, East Rand Proprietary, earned more last quarter despite a production loss occasioned by an underground fire for which an insurance claim for some R500,000 has been lodged. This mine also has heavy capital expenditure ahead.

OIL AND GAS NEWS

C$2bn plan for Canadian Arctic gas

BY GEORGE MILLING-STANLEY

A GROUP of Canadian companies has filed an updated version of a pilot project, expected to cost more than C$2bn (£713m), to bring natural gas in liquefied form from the Arctic islands to either Nova Scotia or the lower St. Lawrence via the Lancaster Sound and the coast of Labrador.

The companies are seeking approval for the project from Canada's National Energy Board, the Department of Indian and Northern Affairs and the Department of Transport.

The proposal involves shipping liquefied natural gas in ice-breaking carriers from a terminal on the south shore of Melville Island, 2,500 miles north of Calgary in the eastern-central Arctic, to either Canso, a deep water port in Nova Scotia, or Gros Cacouna, on the lower St. Lawrence below Quebec City, reports Robert Gibbens from Montreal.

The planned rate is 225m cubic feet of gas per day, and two 140,000 cubic metres lng carriers would be needed. Including terminals and the development of the gas field in the north of Melville Island, the project would cost almost C$2.3bn.

The companies involved are the state oil company Petro-Canada, with 37.5 per cent, Nova Corporation (formerly Alberta Gas Trunk Line) with 25 per cent, Dome Petroleum with 20 per cent and Melville Shipping (a consortium of three shipping companies) with 17.5 per cent.

Panarctic Oils, which is controlled by Petro-Canada, is the owner of the gas, and Transcanada Pipelines, controlled by Dome Petroleum, would own and operate the southern terminal. The earliest possible completion date for the project is 1985-86.

The intention is to feed the gas into the future Quebec Maritime gas pipeline system, displacing supplies from Western Canada.

The National Energy Board and the Canadian Government have so far been in favour of the project, but opposition has been developing from the Inuit of north-eastern Canada and Greenland on the grounds that the plan represents an environmental hazard and a potential source of damage to sealing and thus the traditional Inuit way of life.

* * *

CANADA'S Sceptre Resources, of Calgary, has acquired an exploration concession covering 7,880 sq km onshore Abu Dhabi, in the United Arab Emirates.

Sceptre's partners include Bow Valley Industries, Western Mines and Scarboro Resources.

Indonesia's plans to make up oil refining shortfall

BY RICHARD COWPER IN JAKARTA

INDONESIA has the somewhat doubtful distinction of being not only the largest oil and gas exporting nation east of the Gulf but also one of the region's biggest oil importers. The country's antiquated refinery structure—one unit dates back to 1922—has been unable to keep pace with soaring domestic consumption of oil products which in the 1970s grew at an average rate of nearly 14 per cent.

At last, however, the Government has taken the bit between its teeth and embarked on plans at least to double refining capacity by 1983, from the current 400,000 barrels per day to 800,000 b/d. Contracts recently signed with Bechtel Corporation of the U.S. to build a 200,000 b/d extension to the refinery at Balikpapan in East Kalimantan and with Fluor, also of the U.S. to build a similar 200,000 b/d extension to the Cilacap refinery in central Java should make Indonesia largely self-sufficient in refining by 1983. Together the two projects will cost Indonesia an estimated $1.6bn.

The country's third largest refinery project, at Dumai in central Sumatra, now looks as if it may at last go ahead next year as the Government seems finally to have made up its mind to perform a U-turn and offer state-backed financial guarantees for the $800m project.

REFINING CAPACITY

Refinery	Crude capacity(b/d)*	% of total
Cilacap (Central Java)	100,000	19
Balikpapan (E. Kalimantan)	75,000	14
Dumai (Central Java)	100,000	19
S. Gerong (Sumatra)	79,000	15
Pladju (S. Sumatra)	110,000	21
Wono Kromo (E. Java)	4,000	1
P. Brandan (N. Sumatra)	4,000	1
S. Pakning (Central Sumatra)	50,000	9
Cepu (E. Java)	4,000	1
Total	526,000	100

* Because of the age of many of these refineries actual total capacity is a lot less, between 370,000 to 390,000 b/d.

Source: Pertamina

The speed at which the refineries at Cilacap and Balikpapan have been initiated has largely been thanks to a surge in oil and gas revenues which brought Indonesia record earnings in 1979-80 of close on $11bn. The two extensions will be managed by Pertamina, the State oil company, and financed through the Indonesian Government.

If most experts expressed surprise at the speed with which the Government has moved on Balikpapan and Cilacap the reverse has undoubtedly been true of the controversial expansion of the Dumai oil refinery in central Sumatra.

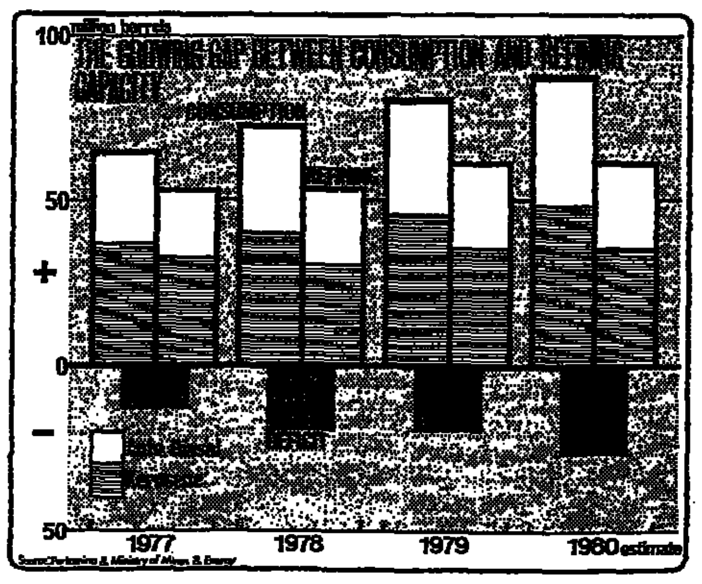
The on-off hydrocracker—badly needed to distil low sulphur waxy residue (LSWR) into middle distillate for the local market—had become almost a by-word for how to avoid building a project while giving the impression that the construction stage was just around the corner.

Conceived in the heady days of General Ibnu Sutowo's flamboyant leadership of Indonesia's State-owned oil company in the early 1970s, the project was shelved after Pertamina brought Indonesia almost to the brink of bankruptcy with debts of over $10bn in 1975. The hydrocracker plan was revived again nearly three years ago, but, despite persistent reports to the contrary over the last six months, it is now clear that both the financing and the ownership of the refinery have yet to be completely sorted out.

The key problem which has held the project up for so long has stemmed from the Government's refusal until now to provide official government guarantees for the financing. After the Pertamina crash, Indonesia's technocrats were understandably worried at the growing demand for debt servicing. Wherever possible they tried to get large scale projects built with the minimum of direct government financial involvement.

The result of this attempt to get Dumai built through so-called off-balance sheet financing was that the project ran into all kinds of financing difficulties. With output from the hydrocracker due to go to the domestic market, bankers were extremely wary of lending such large sums of money without official government guarantees. At the same time leading contractors were reticent because they feared that with Government controlled domestic pricing the project might not be economically viable.

Thanks to the boom in oil prices, however, Indonesia's financial position is now almost the reverse of three years ago.



Indonesia's technocrats, their coffers full to overflowing with reserves of well over $6bn, now appear to be ready to put an end to an experiment with off-balance sheet financing that has undoubtedly been more trouble than it has been worth. This change will certainly ease the financing for the project.

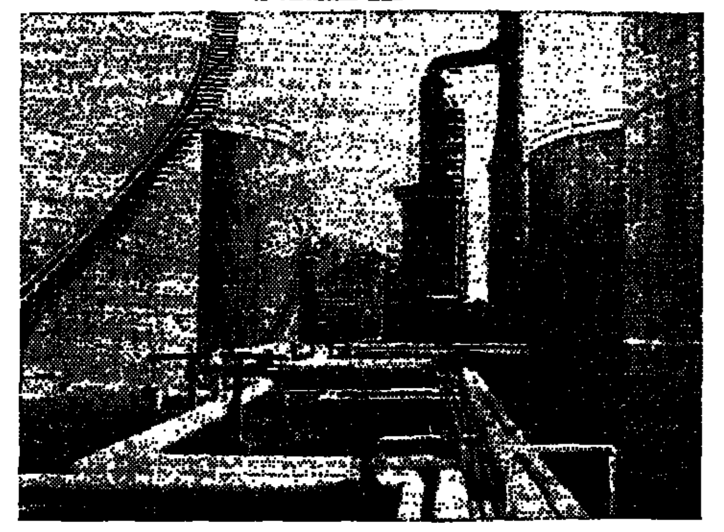
According to Indonesia's Minister for Mines and Energy, two Spanish construction companies, Technicas Reunidas and Centunion have been awarded the contract to engineer and build the 85,000 b/d hydrocracker with Voest Alpine of Austria assisting on much of the construction.

The Government is now in the process, however, of revising the ownership and financing side of the package, and it seems likely that the project might go ahead next year with Pertamina—and therefore the Government—taking a controlling interest.

Even if construction starts in early 1981, for the next three years at least Indonesia's cracking capacity (49,500 b/d) will be totally inadequate to deal with the residual fuel oil surplus.

The crux of the problem is the peculiar quality of some 70 per cent of Indonesian crude with its low sulphur, heavy fuel oil characteristics. Because most of the refineries date from an era when export of products, rather than crude, was the rule, they are situated at the producing fields themselves, with neither intake nor location taking account of the domestic market. Only three—the existing refineries at Dumai (100,000 b/d), Plaju (110,000 b/d) and Cilacap (100,000 b/d)—can process even small amounts of non-Indonesian crudes. The rest produce an excess of low sulphur waxy residue (LSWR) from distillation of the mainly paraffinic, waxy local crudes.

There is little doubt that the decisions to go ahead with Cilacap and Balikpapan took some of the urgency off the Dumai project, but even though the need to distill LSWR for the domestic market is now not so pressing officials at Pertamina are still keen to go ahead with the hydro-cracker.



The Cilacap refinery in central Java: capacity to be trebled.

No one doubts however that Indonesia needs to move fast on expanding its refining. Although the country has around 400,000 b/d in refining capacity the range of products it can make does not reflect existing consumption patterns which are heavily geared to diesel oil and kerosene.

Though the country was the world's tenth largest exporter of oil last year with exports of 411m barrels of crude and LSWR, the increasing cost of importing refined products and Middle East crude coupled with growing domestic demand (currently growing at over 10 per cent a year) have been seriously worrying the nation's economic planners.

Domestic consumption of petroleum products grew from 270,000 b/d in 1977 to 347,000 b/d last year and is projected to increase to around 600,000 b/d by 1985. Without the new refineries Indonesia's Minister for Mines and Energy, Professor Subroto, estimated that the country's refining capacity shortfall would widen to 59 per cent by 1985 from 46 per cent this year. The country's crude oil and product import bill makes disturbing reading. Last year it was $2.4bn, but this year it is expected to jump 75 per cent in value to $4.2bn.

These reasons alone were enough to persuade Pertamina that decisions on new refineries had to be finalised this year. That the Dumai affair looks as if it will not be resolved until the end of this year, or the early part of next, undoubtedly caused considerable dismay within the national oil company, though they must now be secretly happy that the Government has finally been forced to do it their way.

APPOINTMENTS

Pilkington safety glass director

Mr. John Calvert has been appointed a director of the European Safety Glass Division of PILKINGTON BROTHERS. He continues as personnel director of Triplex Safety Glass.

*

Mr. Roley Barker has been appointed managing director of RAND LONDON INTERNATIONAL (formerly Hochmetals Africa), the trading subsidiary in the Rand London Corporation group. He was previously sales manager, ferrochrome, of Johannesburg Consolidated Investment Company. Mr. Barker succeeds Mr. Colin Whittle who has been transferred to the Rand London Corporation group's head office as project manager, commercial.

*

Mr. Iain Helstrip has joined CHARLES BARKER CBC as an associate director responsible for business development. He was previously with Creative Marketing Services.

*

NV AMEV, the Dutch insurance and financial group, has made the following Board changes in its UK companies.

Mr. C. C. Nengerman (NV AMEV) has become chairman of AMEV Limited, the holding company for AMEV's insurance interests in the UK. The other directors are now Mr. H. C. Cottrell, Mr. K. W. Prescot, Mr. P. Roos (NV AMEV) and Lord Tollemache.

Mr. J. S. Leighton, chief executive of Gresham Life Assurance Society and Mr. P. M. L. Rosenberg (NV AMEV) have joined the Board of AMEV Life Insurance. Mr. B. R. L. Holmes, Mr. Prescot and Mr. G. Solomon have resigned. Mr. J. P. Archer continues as managing director.

*

Mr. R. J. Boyd has resigned as a director of G. T. JAPAN INVESTMENT TRUST.

*

Mr. Christopher J. Vickers has become senior partner of E. C. HARRIS AND PARTNERS. Mr. Douglas Pritchard, who was senior partner, is now a consultant, remaining actively involved in the business of the practice. Mr. Richard Clare has been admitted to the partnership. Mr. David Tillotson, has been appointed an associate in the Sheffield office.

*

Mr. D. A. Bond has been appointed a director of CRONITE GROUP. Mr. J. W. Borland has ceased to be a director.

*

Mr. C. T. Stewart has resigned from his directorship of BOND STREET FABRICS.

*

The council of the INTERNATIONAL CIVIL AVIATION ORGANIZATION has re-elected Dr. Assad Kotaite as its president for a three-year term. First elected in November 1975, Dr. Kotaite assumed office in August 1976 and was re-elected in 1977. Prior to being president, Dr. Kotaite was ICAO's secretary-general from 1970-1976 after having represented Lebanon on the ICAO Council from 1956-1962 and from 1965-1970.

*

Mr. P. G. Eyles has been appointed a non-executive director of NORFOLK CAPITAL GROUP.

*

Mr. J. K. Lindsey-Renton has resigned as a director of BURT BOULTON HOLDINGS on his retirement from the executive employment of the group.

*

Mr David Baumann has been appointed a director of sales and marketing Europe at the new London office of PRINCESS HOTELS INTERNATIONAL. He was previously with Holiday Inns International.

Mr. M. S. P. Gardner has resigned as a director of JOHN FOSTER AND SON for other business interests.

*

Dr. Robert A. Frosch is to leave his post as administrator of the NATIONAL AERONAUTICS AND SPACE ADMINISTRATION of Washington, U.S., on January 20. He is to become the first president of the AMERICAN ASSOCIATION OF ENGINEERING SOCIETIES, a federation formed at the beginning of this year of major engineering societies in the U.S.

*

Mr. T. A. Busby has been appointed company secretary of COMPUTER AUTOMATION.

*

Mr. Carlos Marin has been elected as vice-president of the ASSOCIATION EUROPEENE DE CONSTRUCTEURS DE MATERIEL AEROSPATIAL (AECMA).

*

Mr. Harold Clayton has been appointed technical director of BIP VINYLS, the newly-formed unit company within Turner and Newall and which was previously the PVC division of British Industrial Plastics.

*

Sir Eric Norris, a former High Commissioner in Kenya and Malaysia, has been elected chairman of the Central Council of the ROYAL COMMONWEALTH SOCIETY, succeeding Sir Michael Parsons, who has been chairman of the Council since 1976.

*

Major-General A. C. Birtwistle is to become Signal Officer in Chief (Army) Ministry of Defence in November 1980, in succession to the late Major-General A. C. Bate. From January 1981, Major-General P. A. Travers is to be General Officer Commanding South East District, in the rank of Lieutenant-General, in place of Lieutenant-General Sir George Cooper. Major-General J. M. Glover will be Deputy Chief of Defence Staff (Intelligence), in the rank of Lieutenant-General, to succeed Vice-Admiral Sir Roy Halliday. Major-General M. R. Johnston to be Deputy Chief of the Defence Staff (Operational Requirements) Ministry of Defence, in the rank of Lieutenant-General, in succession to Vice-Admiral Sir Stephen Berthon. Brigadier J. H. B. Dent is to be Director General of Fighting Vehicles and Engineer Equipment, Ministry of Defence, in the rank of Major-General, succeeding Major-General J. B. Willis.

*

Radio Luxembourg has formed a company called RADIO-TELE-LUXEMBOURG (UK). Sir John Rodgers (chairman of Radio Luxembourg London) is chairman of the new concern and other members of the Board are Mr. Patrick Cox, Viscount De L'Isle V.C., Mr. John Hawkesworth, Sir Keith Skinner and Mr. Anthony Weldon.

*

Following the appointment of Mr. I. R. Carmichael, as assistant general manager (administration) and secretary, SCOTTISH AMICABLE LIFE ASSURANCE SOCIETY has appointed Mr. A. M. Stevenson, as staff manager. Taking his place as deputy secretary is Mr. I. L. McMillan, who is at present the Society's premiums officer. These appointments are all from November 7.

*

Mr. Mike Cox, who joined BEAM COMMUNICATIONS earlier this year as account services director, has been appointed to the Board.

*

Appointed to the Board of ROBIN MARLAR & ASSOCIATES are Mr. Roger S. Mathews and Mr. Martin Gwinner.

UK COMPANY NEWS

Attock in profit at year-end

FOR THE year ended June 30, 1980, Attock Petroleum reports profits before tax of £22,000 compared with £34,000 loss last year. The first half had seen a recovery from losses of £123,000 to a £29,000 profit.

Again no dividend is being recommended as it is the board's view that dividends should be paid from oil and gas production profits and not from short-term interest receipts which may not recur in future years.

Stated earnings per share are 0.1p against a 1.7p loss in 1978-1979.

Sales of oil and gas — arising in the U.S. — amounted to £471,000 against £354,000. Net income from producing operations was £148,000 compared with £104,000.

In his annual statement, Mr. Tony de Doer, chairman, says he is sure that demand for oil and gas and opportunities for exploration will continue and he looks forward to reporting further progress of the group over the next year.

The group, through its subsidiary North Sea Petroleum, has gained four licences for onshore exploration in the UK. Two of the licences cover some 180,000 acres in Berkshire, Buckinghamshire and Oxfordshire, and the other two are in Dunfermline and Methil in Fife, Scotland.

Attock Petroleum (North Sea), another subsidiary, is a member of a consortium applying for licences in the Seventh Round.

The group intends to change its name to Anvil Petroleum. An extraordinary general meeting will be held to change the name, to increase the share capital and borrowing powers and to make minor amendments to the articles and employees' share option scheme.

The annual meeting will be held on November 24 at Quaglinos, Bury Street, SW.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Estate Duties Investment Trust, Francis Industries, London Brick, Mothercare, UBM.

Finals:—Brooke Bond Liebig, Ductile Steels, Medminster, Newman-Tonks, Paterson Zochonis, Peachey Property.

FUTURE DATES

Interims:—

Ambrose Investment Trust	Nov. 4
Central and Sheerwood	Oct. 24
Grampian Television	Nov. 6
H.A.T.	Nov. 18
Outwich Investment Trust	Oct. 27
Reed International	Oct. 28
Tozer Kemsley and Millbourn	Oct. 28
Weeks Associates	Oct. 30

Finals:—

Aronson (A.)	Nov. 4
British Assets Trust	Oct. 22
Hepworth (J.)	Oct. 30
Highland Electronics	Oct. 24
Low (Wm.)	Oct. 23
North Atlantic Securities	Oct. 28
Pretoria Portland Cement	Oct. 22

Greencoat into loss

A PRE-TAX loss of £161,000 is reported by Greencoat Properties for the year to June 30, 1980. This compares with a profit of £660,000 in the previous year. Turnover, however, almost doubled from £2.55m to £5.09m.

At midway profits had dropped from £26,000 to £2,000.

Interest charges rose from £314,000 to £368,000, but there was no tax, against £129,000 last time.

The attributable loss is £161,000 against a profit of £509,000, giving a loss per 5p share of 0.51p (earnings 1.6p). Once again no dividend is being paid—the last payment was 0.13p net in 1975.

ELLIS & EVERARD

Capital Leisure, the specialist swimming pool service division within the Ellis and Everard Group, is to close at the end of this year due to poor trading results.

Operations of Capital Leisure, which has five branches, have failed to meet forecast expectations. About 27 staff will be affected by the closure, but efforts are being made to find buyers for Capital's assets and goodwill.

Capital Leisure's turnover in the current financial year is running at approximately 2 per cent of group turnover.

Swimming pool operations at Exeter and Newquay are unaffected by the closure decision, and water treatment chemicals will continue to be stocked and distributed by the merchanting division's 18 UK branches.

INVESTMENT TRUSTS

London Scottish Finance

With finance costs jumping 45 per cent to £1.06m, pre-tax profits of London Scottish Finance Corporation have fallen 7 per cent below last year's record level to £829,010 in the 52 weeks to July 29, 1980. Turnover rose from £5.86m to £6.97m.

After tax down from £252,289 to £243,525, stated earnings per 10p share are 5.6p (6.1p) undiluted, and the final dividend is effectively raised from 1.305p to 1.5p net for a total of 2.025p (adjusted 1.7625p). Dividends absorb £214,338 (£184,754).

There were extraordinary items of £9,599 compared with £111,293, leaving retained profits lower at £380,746 against £567,487.

Scottish Northern ahead

For the half year ended September 30, 1980, revenue of Scottish Northern Investment Trust came out ahead from £840,437 to £959,706 after a tax charge of £452,481 compared with £365,111 last time.

Earnings per 25p share are shown as 1.78p against 1.56p, and as already announced the interim dividend is unchanged at 1.2p net—last year's final payment was 1.94p and net revenue totalled £1.69m.

Lowland revenue increase

Gross income of Lowland Investment Co. amounted to £631,898 for the year ended September 30, 1980, against £524,447, and after interest, management expenses and tax, the revenue available emerged ahead from £258,832 to £343,718.

And the dividend is stepped up to 3.75p (3.2p) net per 25p share, with a final payment of 2.15p, which will absorb £293,560 (£250,505).

Earnings per share are shown as 4.39p against 3.18p.

Bishopsgate Trust higher

Pre-tax revenue of Bishopsgate Trust, investment trust, rose from £572,000 to £699,000 in the six months to September 30, 1980. Gross income was £825,000 compared with £749,000.

Tax is estimated at £238,000 (£190,000) which would leave net revenue up from £382,000 to £461,000. The interim dividend is raised from 2.8p to 3.5p—last year's total was 9.9p (which included a special non-recurring payment of 1.4p) from pre-tax revenue of £1.28m.

EUROPEAN OPTIONS EXCHANGE

Series		Dec. Vol.	Dec. Last	Mar. Vol.	Mar. Last	June Vol.	June Last	Stock
GM C	$50	25	3⅛	—	—	—	—	$50⅞
GM C	$60	—	—	10	1¼	—	—	"
Series		**Jan. Vol.**	**Jan. Last**	**April Vol.**	**April Last**	**July Vol.**	**July Last**	**Stock**
ABN C	F.300	2	12	—	—	—	—	F.304
ABN C	F.320	9	5	6	8	—	—	"
AKZO C	F.20	59	1.20	85	1.60	10	2	F.20
AKZO C	F.22.50	10	0.50	61	0.70	30	0.90	"
AKZO C	F.25	10	0.20	—	—	—	—	"
AKZO P	F.20	15	1.30	2	1.20	—	—	"
AKZO P	F22.50	14	3	2	3	—	—	"
AMRO C	F.60	7	5	—	—	—	—	F.64.30
AMRO C	F.65	4	2	10	3.20	—	—	"
HEIN C	F.50	11	5	12	7	—	—	F.53
HEIN C	F.55	31	2.20	5	3.30	—	—	"
HEIN C	F.60	—	—	14	2.10	—	—	"
HEIN P	F.50	6	1.80	—	—	—	—	"
HEIN P	F.55	—	—	2	4.30	—	—	"
HOOG C	F.15	4	0.50	35	1.10	—	—	F.13.80
IBM C	$70	20	3	—	—	—	—	$68
IBM P	$70	5	4⅝	—	—	—	—	"
KLM C	F.55	5	5.50	—	—	—	—	F.58.80
KLM C	F.60	21	2.50	—	—	—	—	"
KLM C	F.70	62	0.60	—	—	—	—	"
KLM P	F.55	28	2.20	4	4	—	—	"
KLM P	F.60	12	4.80A	1	7B	—	—	"
KLM P	F.70	17	12.50	—	—	—	—	"
NATN C	F.120	5	2.50A	17	3.50	—	—	F.116
NATN P	F.110	23	0.80	—	—	—	—	"
NATN P	F.120	23	4.80	—	—	—	—	"
PETR C	Fr.5500	—	—	—	—	2	5.10	Fr.5240
PHIL C	F.15	—	—	5	2.50	—	—	F.16.80
PHIL C	F.17.50	91	0.80	132	0.90	52	1.20	"
PHIL C	F.20	55	0.20	23	0.30	20	0.30	"
POLA C	$30	20	2⅛	—	—	—	—	$20¼
OLIE C	F.160	7	38.70	5	39.50	—	—	F.197.60
OLIE C	F.170	30	29	9	29B	—	—	"
OLIE C	F.180	192	19.20	318	22.30	—	—	"
OLIE C	F.190	394	12.40B	91	13.80	—	—	"
OLIE C	F.200	979	7.50	815	9.50	185	11.08B	"
OLIE P	F.160	24	0.20A	—	—	—	—	"
OLIE P	F.170	49	0.40A	—	—	—	—	"
OLIE P	F.180	170	0.90	147	2.50	—	—	"
OLIE P	F.190	447	2.90	21	5	—	—	"
OLIE P	F.200	69	6.80	5	9.50	21	13A	"
ATT C	$50	4	2⅝	1	3½	—	—	$50⅞
UNIL C	F.120	6	6B	—	—	—	—	F.125.20
UNIL C	F.130	10	0.80	—	—	—	—	"
UNIL P	F.120	6	1.50B	—	—	—	—	"
XERO C	$60	5	8	—	—	—	—	$66⅞
XERO C	$70	1	3	—	—	—	—	"
		Nov.		**Feb.**		**May**		
BOEI C	$40	—	—	24	3⅛	—	—	$38
BOEI P	$40	—	—	1	4⅝	—	—	"
OCCI C	$35	—	—	10	2⅛	—	—	$31⅞
SLUM C	$110	—	—	41	10	—	—	$110⅞
SLY C	$86⅝	—	—	5	25	—	—	"
SLY C	$100	3	10¼	1	14	—	—	"

TOTAL VOLUME IN CONTRACTS 5228

C=Call P=Put

INTERNATIONAL COMPANIES and FINANCE

Fine terms won by ENI for $500m Eurocredit

BY PETER MONTAGNON

ITALY'S OIL and gas concern ENI is raising a $500m Eurocredit through Arab Banking Corporation as part of a new surge in foreign borrowing by the country's public sector agencies. Euromarket bankers believe the surge is prompted by Italy's growing current account payments deficit.

In August Italy recorded a current account deficit of L273bn ($313m) while the visible trade deficit in the first eight months of the year was L11,182bn ($12.82bn) or about 10 times the deficit in the same period of 1979.

The ENI transaction is a two-tranche credit of which the first $200m portion bears a margin of ⅝ over Libor for five years, with a three-year grace period. The second $300m portion a margin of ½ per cent over eight years with the same grace period.

The terms show that despite its economic difficulties Italy can still obtain fine conditions on Euromarket borrowings. Indeed, bankers also stress that the political problems which have left the country without a government have not upset its international credit rating.

This type of situation has now been seen so frequently that it leaves the Euromarket generally unconcerned. At the same time Italy's membership of the EEC also gives some additional strength to its name as a borrower.

Besides the ENI borrowing a mandate for $500m is also understood to be imminent from the electric utility, ENEL. This will be a Libor based borrowing following up on its recent very succesful prime-based credit which finished up at a total $750m.

Conditions are expected to involve a split ⅝-¾ margin over eight years, somewhat harder than those on the ENI deal, but the market has seen heavy borrowing by ENEL recently.

Also in syndication at the moment is a $100m credit for Agip Nucleare being arranged through the Long Term Credit Bank of Japan. This bears a margin of ⅝ per cent over Libor for the first five years rising to ¾ per cent for the final two, with four years' grace.

Four shipping companies in the state-controlled Finmare group are meanwhile jointly raising $125m through Dillon, Read Overseas Corporation. This is a seven-year credit with a margin of ¾ per cent over Libor but up to $30m of the loan may be priced over U.S. prime rate to broaden the attraction for U.S. banks.

The prime-based portion carries a margin of ⅜ per cent.

After these borowings a mandate is also expected from the state railway company Ferrovie dello Stato. Once again the amount is expected to be large, probably around $500m.

Strong earnings lift at Penn Central

By David Lascelles in New York

PENN CENTRAL, the once bankrupt railroad which is now shaping a new existence for itself as a diversified industrial concern, had another profitable quarter, largely as a result of its aggressive acquisition strategy.

Net income was $32.5m or $1.10 a share, up from $23.8m or $1.03 a share in the third quarter last year. Sales and revenue totalled $543.8m, up from $332.4m.

Penn central said much of the gain in the nine-month period, when revenue rose from $792m to $1.5bn, was due to the purchase of Marathon Manufacturing, the large rig-maker, at the end of last year.

Penn Central is also in the process of putting through a merger with GK Technologies, the large electronics company, for which it bid $630m. The company said yesterday the deal should go through in December.

Although Penn Central has become a viable concern, it still relies on heavy tax loss carry-forwards to help its profits. It will pay no tax this year, and expects to have sufficient carry-forwards to offset $600m in tax between 1981-85. "Substantial additional amounts" of tax deductions may also be available, it said.

U.S. CHEMICALS

Du Pont shows sharp drop

BY DAVID TONGE IN NEW YORK

E. I. DU PONT de Nemours, the leading U.S. chemical group yesterday reported a 65 per cent drop in third-quarter profits. The company was hit by the sharp decline in the U.S. economy and weakening business conditions in Europe, according to Mr. Irving Shapiro, Du Pont's chairman.

Union Carbide, the country's second largest chemical producer, managed to hold its profit drop to 14 per cent on comparable figures last year, while Ethyl Corporation reported a 32 per cent fall. However, W. R. Grace, helped by the growth of its oil and natural gas interests, reported a 6.4 per cent growth in operating profits to $63.9m.

Du Pont's third quarter profits fell from $252m, or $1.72 per share, to $89m or 58 cents per share. Sales rose from $3.13bn to $3.17bn, but the company said yesterday that a rise in selling prices of around 14 per cent in many lines meant sales volumes were lower than in the third quarter of 1979.

Its said tis fibres division had borne the brunt of the recession, but that all sectors had felt it. However, Mr. Shapiro said: "It is a fair judgment that business bottomed out in July. Month-to-month improvements occurred in August and September and the indications are that this trend will continue in the fourth quarter.

In the first nine months sales were up 8 per cent to $10.2bn and net earnings down from $733m last year to $510m

Union Carbide was also hit by a general fall in sales volume. Sales prices in the third quarter were about 20 per cent up on a year earlier but sales receipts from domestic operations of $1.6bn were slightly down. Income from international operations rose 9 per cent to $778m, with the best returns in Latin America. Batteries performed most strongly.

Union Carbide, which changed its accounting practices this January, posted net third quarter profits of $153.8m, $2.30 per share, compared with $178.1m, or $2.71 per share last year. The 1979 figures were depressed by book losses on foreign exchange transactions of 25 cents per share.

A good first quarter for the company means that nine month figures show an 8 per cent increase in sales to $7.3bn and net profits, excluding non-recurring credits, 3 per cent up at $523.6m.

Ethyl Corporation reported third quarter sales down 3 per cent to $430m and profits down to $19.2m, or 94 cents per share, compared with $28m or $1.38 per share. Figures for the first nine months show net profits down 14 per cent to $65m.

W. R. Grace reported net profits up 53 per cent to $68m in the third quarter. These figures include the effects of losses on foreign exchange translation of assets and divestments which reduced 1979 figures. Sales were up 15 per cent to $1.49bn. Nine-month net earnings rose 33 per cent to $216m on sales up 15 per cent to $4.4m.

Heavy calendar for DM bonds

BY OUR EUROMARKETS STAFF

A HEAVY CALENDAR of Deutschemark foreign bonds for the coming month coupled with the DM's weakness on the foreign exchange market pushed prices in the DM sector of the Eurobond market down by around ½ a point yesterday.

Many bankers were surprised by the size of this month's calendar, which totals DM 805m. It was agreed yesterday by the German Capital Markets Subcommittee and does not include issues for supranational borrowers, which could boost the total to over DM 1.2bn.

Last month's calendar was also heavy, at around DM 1.5bn, but this followed a lean period for new issues and by the middle of this month the primary market was again becoming congested. Almost certainly German banks are still working through a backlog of issues which had accumulated by mid-September.

The first issue will be a DM 100m bond for Venezuela, expected today from Westdeutsche Landesbank. This had originally been scheduled for the previous calendar. On Thursday WestLb will also be the lead manager of a DM 25m private placement for a U.S. borrower. On the same day Bayerische Landesbank will bring a DM 50m issue for Eurofima.

Bayerische Vereinsbank has scheduled a DM 200m private placement for October 27. The borrower is a European industrial company, believed to be Michelin. On October 29, a DM 100m issue for another European industrial concern is expected from Dresdner Bank, which has also slated a DM 150m private placement for a European name on November 3.

On November 6, BHF Bank is expected to offer a DM 50m private placement for a European industrial company. BHF has also scheduled a DM 80m issue for the Council of Europe during the calendar period.

Dresdner Bank will be back on November 10 with a DM 100m issue for a non-European soverign name and, on the following day, a Japanese industrial borrower will be coming to the market with a DM 80m issue via Commerzbank. Deutsche

Rowan sale helps Armco

By Our New York Staff

ARMCO, one of the first large U.S. steelmakers to report third quarter earnings, had a sizeable gain in profits. But its fortunes are not expected to be typical of the industry as a whole.

The country's sixth largest steel company had net income of $76.6m or $1.65 a share, up from $57.6m or $1.26. Sales were up from $1.3bn to $1.4bn. However, the gain includes the $31.5m proceeds from the sale of Armco's stake in Rowan Companies, announced in August.

Armco also appears to be benefiting from its diversification away from steel into energy and financial services.

Consolidated Freight setback

BY OUR NEW YORK STAFF

THE RECENT deregulation of the trucking industry, combined with the impact of the recession, produced a sharp drop in earnings at Consolidated Freightways, one of the country's leading truckers.

Operating net income was down from $20.3m or $1.56 a share to $5.4m or $0.42. But this did not include a write-off of $32.1m resulting directly from deregulation, which brought final net down to a loss of $26.7m. Revenue and sales in the third quarter were $369m, down from $452m

The write-off was of the company's U.S. motor carrying rights which have been renedered virtually worthless by the 1980 Motor Carrier Act, the statute which threw the trucking business open to competition from all comers.

Mr. Raymond O'Brien, chairman, said that although the write-off would not affect the company's operations or competitive position, it was not taking a tax deduction in the financial statements for the time being, until the tax position was cleared up. The Internal Revenue Service has not ruled on the question yet, Mr. O'Brien said, and the trucking industry has asked Congress to act to authorise the deductions.

Mr. O'Brien added that the latest quarter was affected by the recession in both the trucking and heavy duty truck industries which constitute Consolidated's main lines of business.

Record profit for Ampol Exploration

By James Forth in Sydney

AMPOL EXPLORATION has declared a one-for-ten scrip issue following a 74 per cent jump in profit for the year to September 30 from A$6.73m to a record A$11.77m (U.S.$13.8m). The directors have raised the final dividend from 3.75 cents a share to 5 cents boosting the annual payout from 7.5 cents to 10 cents.

Shares from the scrip issue will receive the final dividend and the directors expect to maintain the new dividend rate on the higher capital. The offer, the first since a one-for-five free issue in 1978, will capitalise almost A$2.85m.

Group turnover, including the crude oil levy, rose by 69 per cent from A$22.8m to A$38.3m (U.S.$45m). The levy rose by 53 per cent from A$13.7m to A$21m leaving a net gain in revenue, of 61 per cent from A$10.4m to A$16.7m.

Earnings came to 21 cents a share compared with 13 cents a share in the previous year. The company performed more strongly in the second half, when earnings more than doubled, from A$3.0m to A$6.37m.

Amex clubs for London

By Terry Byland

THE American Stock Exchange (Amex) is to extend its Amex Club organisation outside North America for the first time with the opening of a club in London next month.

The Amex clubs are forums in which the investment community can hear presentations by companies listed on Amex. The members, mostly stockbrokers, investment analysts and institutional fund managers, pay $30 annual membership. There are ten clubs in operation in North America.

Memorex still in the red

BY OUR FINANCIAL STAFF

MEMOREX, THE manufacturer of a wide range of computer peripheral equipment systems, had a net loss of $5.61m or 88 cents a share compared with a profit of $7.07m or 87 cents a share for the third quarter last year. This brought the net loss for the nine months to $26.20m or $3.93 per share against a profit of $29.38m or $3.67

Revenues for the third quarter advanced by 2.6 per cent to $189.9m and by about the same amount over the nine months to $560.5m.

About $2m of the pre-tax loss for the third quarter was attributable to inventory charges resulting from a reduction in production of the company's disc cache product.

Mr. C. W. Spangle, chairman and chief executive, said operating results were affected principally by continuing high manufacturing costs and inventory charges, start-up costs on new products and reduced equipment sales.

Nevertheless, the performance improved on the second quarter and represents a reversal of the downward trend over the last 18 months.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on October 20

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit. Oxygen F. 10¾ 90	50	85½	85⅞	+1½	+0½	13.57
CECA 11½ 88	100	94⅜	94⅞	−0½	−0¼	12.61
Citicorp O/S Fin. 10 86	300	89	89½	−0½	−0⅜	12.73
Con. Illinois O/S 9¾ 86	150	87⅞	88⅜	−0½	−0½	12.78
Denmark 11¾ 90	100	93⅜	93⅞	−0⅛	+0⅛	12.91
Dome Petroleum 13½ 92	50	100	100½	−0⅛	−0⅜	13.42
EEC 11 95 (May)	75	88⅛	88⅝	−0¼	−0⅛	12.77
EEC 11 95 (Nov.)	70	87½	88	+0⅛	−0⅛	12.88
EIB 13¾ 90	100	102½	103	−0⅛	−0½	13.19
Eksportfinans 9½ 87	75	86½	87	−0¼	−0⅜	12.50
Elec. de France 10 88	125	88⅜	88⅝	−0⅛	−0¼	12.40
Export Dv. Cpn. 12¾ 87	100	100	100½	−0⅛	−0¼	12.65
Export Dv. Cpn. 9½ 86	150	88¼	88¾	−0⅛	−0⅛	12.60
Federal Dev. Bk. 12¼ 85	75	98⅝	99⅛	−0⅛	−0⅜	12.53
Fin. Exp. Credit 10½ 85	50	91¼	91¾	0	+0⅛	12.99
Finland Rep. of 9½ 86	100	86	86½	0	−0¼	13.18
Ford O/S Fin. 12⅜ 85	250	98¼	98¾	−0¼	−0¼	13.02
George Weston 13½ 87	30	99⅝	100⅛	−0¼	−0⅜	13.48
GMAC O/S Fin. 13⅞ 85	100	101¾	102¼	−0⅛	−0⅛	12.70
GMAC O/S Fin. 12 87	100	95¼	95¾	−0½	−0⅜	13.01
Goodyear O/S 12½ 87	75	97¾	98¼	−0⅞	−0⅛	12.93
Hudson's Bay 11½ 90	75	92⅜	92⅞	−0½	−0¼	12.85
IBM Canada 10½ 85	50	94⅞	95⅜	−0⅛	−0½	11.88
ICI Fin. Ned. 11 83	100	96½	97	0	+0⅛	12.46
Int. Harvester 12¾ 85	115	98⅛	98⅝	−0½	−0⅞	13.19
McGraw 13½ 85	75	100½	101	−0¼	−0⅜	13.21
NorWest Ind. 13⅝ 87	50	99¼	99¾	−0¼	−0½	13.69
Nova Scotia 10¾ 90	50	87½	88	−0⅜	−0⅜	13.02
OKB 10 85	50	91½	92	−0½	−0¾	12.37
Pemex 11½ 88	100	91½	92	−0⅜	−0¼	13.24
Quebec Hydro 11½ 92	100	89⅝	90⅛	−0⅛	0	13.22
Rensteel O/S 11¼ 88	100	89⅜	89⅞	−0¼	−0⅜	13.97
Revlease 11¼ 85	50	95⅝	96⅛	−0⅛	−0⅜	12.43
SNCF 12⅜ 85	50	100¼	100⅝	−0½	−0½	12.21
Sweden 12⅞ 85	150	98⅜	98⅞	−0¼	0	12.75
Swed. Ex. Cred. 12½ 85	140	98½	98⅞	+0⅛	0	12.86
Swed. Ex. Cred. 12 83	50	97½	98	0	0	12.95
Transamerica 12⅜ 83	50	97	97½	−0¼	−0½	13.55
UB Finance BV 11 90	50	86½	87	0	+0⅞	13.50
Unilever NV 9¾ 90	100	84½	85	−0½	−0¾	12.53
World Bank 9¾ 85	200	91⅛	91⅝	−0¼	+0⅛	12.25
World Bank 10¾ 87	300	90½	90⅞	−0½	0	12.40
Tordom Cpn. 13½ 85 C$	30	100	100¼	−0¼	−0⅛	13.32
M. Bk. Dnmk. 9 91 EUA	25	93¾	95	0	0	9.85
SOFTE 8¼ 89 EUA	40	89	90¼	0	0	10.11
U. Bk. Nrwy 9½ 90 EUA	18	99⅜	100¼	0	−0⅛	9.52
Algemene Bk. 10¼ 87 Fl	400	99⅞	100⅜	−0½	−0½	10.20
Bk. Mees & H. 10 85 Fl	75	100⅞	101⅜	−0⅜	−0¾	9.67
F. G. Hypo 9¾ 87 Fl	60	96⅝	97⅛	−0⅛	+0⅛	10.40
Heineken NV 10 87 Fl	75	98⅜	98⅞	−0⅛	−0⅛	10.27
Nat. Inv. Bk. 10 87 Fl	75	98⅞	99⅜	−0⅛	−0⅛	10.17
Nat. Neder 9½ 87 Fl	60	96⅝	97⅛	0	−0⅛	10.14
Neder Mdn Bk 10 85 Fl	75	102⅛	102⅞	+1½	0	9.30
Aero Paris 13⅛ 87 FFr	150	98½	99½	+0½	+0⅜	13.33
CECA 14¼ 86 FFr	150	102	103	−0½	+0¼	13.51
Finland 11 84 FFr	80	91⅛	92⅛	+0⅛	0	13.78
Finland 11½ 89 FFr	70	88⅞	89⅞	−0⅛	−0¼	13.62
Gaz de France 11 84 FFr	150	92⅞	93⅞	0	+0⅜	13.22
IBM France 11⅞ 84 FFr	120	93¾	94¾	−0⅛	+0⅛	13.77
Renault 9¾ 85 FFr	100	85	86	−0⅛	−0⅛	14.13
Solvay et Cie 9¾ 87 FFr	125	82	83	−0⅛	−0⅛	13.98
Utd. Mex Sts 14 85 FFr	150	99⅛	100⅛	−0⅛	+0⅛	14.05
Beneficial Fin. 14¼ 90 £	20	99¼	99¾	0	0	14.30
BNP 13¾ 91 £	15	98¼	98¾	+0¼	+0⅛	13.75
CECA 13½ 88 £	20	98¼	98¾	—	—	13.85
Citicorp O/S 13½ 90 £	50	98	98½	−0¼	−0⅛	13.79
Fin. for Ind. 14½ 88 £	20	101⅛	101⅞	−0⅛	−0¼	14.11
Fin. for Ind. 13¾ 87 £	20	99⅛	99⅞	+0⅛	+0⅛	13.86
Gen. Elec. Co. 12¼ 89 £	50	95½	96¼	0	+0⅛	13.31
Peugeot SA 14 90 £	23	98⅞	99⅛	−0¼	−0½	14.14
Rothschild 14¼ 90 £	12	99¼	99¾	−0⅛	−0⅛	14.32
Swed. Ex. Cr. 15¼ 85 £	20	104¼	105	+0⅛	−0⅛	13.73
Banobras 8¼ 90 KD	7	†90½	91½	0	0	9.75
CCCE 8¾ 91 KD	10	†86⅜	86⅞	−0¼	0	10.26
Sonatrach 8½ 90 KD	12	†91¼	91⅞	0	0	9.89
Akzo 9¾ 87 LuxFr	500	92½	93½	0	−0⅛	10.75
Euratom 9¾ 89 LuxFr	500	96⅜	97⅜	−0⅛	+0¼	10.34
Eurofima 10½ 87 LuxFr	500	97⅞	99⅞	—	—	10.84
EIB 9¾ 88 LuxFr	500	97½	98½	+0⅛	+0⅛	10.76
Volvo 9¾ 87 LuxFr	500	94½	95½	0	0	10.86

Average price changes .. On day −0⅛ on week −0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8½ 90	250	98½	99	−0⅜	−1½	8.31
Austria Rep. of 8¼ 92	150	96⅝	97⅛	−0½	−1	8.68
BFCE 7¾ 87	100	94¾	95½	−0½	−0½	8.79
BFCE 8¼ 95	100	95¾	96½	−0⅜	−0⅞	8.60
CECA 7⅞ 92	150	94⅜	94⅞	−0⅜	−1	8.61
CII-Honeywell 8¾ 90	125	97¾	98¼	−0¼	−0⅜	8.68
Denmark 7⅞ 86	100	†96½	97¼	−0¼	−1	8.62
Denmark 8¾ 92	100	†99	99¾	+0½	+0½	8.33
EEC 7⅞ 94	225	94⅛	94⅞	−0½	−1	8.55
Finland Rep. of 8 86	150	96⅜	97⅛	+0⅛	+0⅛	8.64
Iberduero SA 9 90	100	†99½	100¼	0	+0⅛	9.01
Japan Dev. Bk. 7⅜ 87	100	94⅞	95⅜	−0⅜	−1⅞	8.59
Kobe City of 8 90	100	97¾	98¼	−0½	−0⅜	8.30
Mt. Bk. Denmark 8½ 90	150	†97½	98¼	0	−0⅛	8.82
Norway 7½ 85	250	98⅛	98⅝	−0⅜	−1⅜	7.95
Nuclebras 9¾ 88	100	†97	97¾	−1	−1¼	10.24
OKB 8¼ 92	150	97	97½	−0¼	−0½	8.62
Oslo, City of 8¾ 90	80	100½	101	−0¼	−0½	8.62
Sweden 9¾ 87	200	†103¼	103¾	−0½	−1½	8.99
World Bank 8 90	700	96	96½	−0½	−1¾	8.57
World Bank 7⅞ 90	250	94½	95	−0½	−1⅜	8.72
World Bank 10 86	150	106	106½	−0⅞	−2¾	8.51
World Bank 10 90	200	108⅝	109⅛	−0⅞	−0⅞	8.58

Average price changes . On day −0½ on week −1

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria Rep. of 5⅜ 90	100	99⅞	100⅛	−0½	+0¼	5.37
Bayer Int. Fin. 5¾ 92	100	103¼	103¾	+0⅛	+0¼	5.22
Bremen, City of 6 90	50	102⅝	103	+0⅜	+0½	5.60
BMW Overseas 4¾ 91	100	90	90½	+0⅛	+1¼	5.47
Buhrmann-Tetterode 7 90	40	105	105½	−0½	+0½	6.26
Copenhagen Tele. 5¾ 90	60	95½	95⅞	−0⅛	+0¼	6.34
Denmark 5¾ 90	80	97⅞	98½	−0⅛	+0⅛	6.02
EIB 4¾ 94	100	85	85¼	−0¼	+1	5.98
Elec. de France 5¾ 90	100	97¼	97⅞	−0⅛	+0½	5.55
Eurofima 5¾ 92	80	100⅜	101	0	0	5.65
F. G. H. Hypo Bk. 6 90	50	†103	103½	+0½	+1½	5.55
[illegible]						

Average price changes .. On day [illegible] on week [illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¼ 87	0¼	97⅞	98⅜	2/1	10.44	10.64
Bank of Ireland 5⅞ 89	‡0½	98½	98⅝	21/11	11⅛	11.56
Bank of Tokyo 5⅜ 89	‡0⅜	[illegible]	93⅞	25/10	9¼	9.45
Barclays O/S Inv. 5 90	0¼	97½	98	13/12	9⅝	9.85
Bergen Bk. A/S 6 89	‡0¼	97⅜	98⅛	29/11	12¼	12.52
Bilbao Int. N.V. 5¾ 90	0⅛	97⅛	97⅝	29/11	10.06	10.33
Citicorp O/S F. 83	§+0	99⅜	99⅞	23/11	11.44	11.48
Citicorp O/S F. 84	‡0	99¼	99⅝	30/10	13⅛	13.21
C. Itoh 5¾ 87	0¼	98⅜	99⅛	18/3	12⅞	13.01
Co-operative Bk. 6 86	0¼	98	98½	15/11	11.44	11.64
Creditanstalt 5½ 91	§‡0½	97⅞	98⅜	14/12	12.06	12.29
CNT 5¼ 86	§0¼	99¼	99¾	16/4	13⅛	13.32
GZB 5½ 89	‡0¼	98⅛	98⅝	1/11	9.81	9.98
Jugobanka 8 89	0⅞	91¾	93¾	23/11	11⅛	12.53
Ind. Bank Japan 5¾ 87	0¼	98¾	99¼	15/4	13.31	13.45
Ind. Bank Japan 5¾ 88	0¼	98⅛	98⅞	5/4	13¼	13.31
Lloyds Eurofin 8 90£	0¼	96¾	97¼	3/1	15⅝	16.24
LTCB Japan 5¾ 86	0¼	98½	99	13/12	9¼	9.75
Mfrs Han. O/S 5¼ 94	‡0¼	97¾	98¼	30/11	12⅛	12.37
Midland Intl. Fin. 5 89	0¼	97¾	98¼	20/12	9½	9.69
Midland Intl. Fin. 5¼ 92	0¼	97⅝	98⅛	5/12	10⅞	11.11
Nacional Fin. 6¾ 86	0¼	97½	98	25/1	9.69	9.91
Nat. West 5¼ 94	§0¼	98	98½	11/4	13⅛	13.49
Nippon Credit 6¼ 86	0¼	97⅛	97⅝	12/1	9.56	9.82
Nippon Credit 5¾ 87	‡0¼	98⅜	98⅞	6/11	10⅞	11.04
Royal Bk. Scot 5¼ 94	§‡0¼	98⅝	99⅛	11/1	13¼	13.40
Soc. C. de Bque 6¼ 87	0¼	98⅜	98⅞	3/4	14	14.23
Standard Chart. 5¼ 90	0¼	97⅞	98⅜	6/3	12.06	12.29
Svenska Hndlsbk 5 87	0¼	97⅞	98⅜	15/1	10	10.19
Williams & Glyn 5¼ 91	0¼	98⅛	98⅝	14/3	12.44	12.63
Bq. ext. d'Alg. 4¼ 89 SF	0⅜	†89	89½	18/12	6⅛	6.86

Average price changes . On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 7¼ 95	2/80	615.5	125½	126½	−0¼	−2.09
Apache I Fin. 8¾ 95	12/80	21.12	†155	156	−1	−4.09
Blocker Energy 8¾ 95	1/81	21.87	114½	115½	−0½	−5.53
Credit Suisse 4¾ 93	10/79	1278	120½	122¾	−0⅛	−2.88
DDKK 11 90	4/80	324	107	108	0	17.04
Dimicon Fin. 8¾ 95	10/81	29.5	99¾	100¾	−0⅛	8.13
Dynolectron 9½ 95	8/80	12.22	†114	115	−1	6.56
Ensearch Fin. 9½ 94	7/80	30.25	150	151	+0¾	−3.11
Hanson O/S Fin. 9½ 95	1/81	1.92	94½	95½	−0⅛	3.07
Hufty Int. Fin. 8½ 95	12/80	23.25	95⅞	96⅞	−0⅛	50.59
[illegible]						

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

AMERICAN QUARTERLIES

AMDAHL	1980 $	1979 $
Third quarter		
Revenue	99.7m	78.3m
Net profits	5.8m	1.9m
Net per share	0.31	0.11
Nine months		
Revenue	286.3m	233.3m
Net profits	8.6m	16.6m
Net per share	0.47	0.94

AMERICAN BRANDS	1980 $	1979 $
Third quarter		
Revenue	1.75bn	1.52bn
Net profits	113.3m	114.5m
Net per share	3.93	4.00
Nine months		
Revenue	5.00bn	4.30bn
Net profits	322.1m	256.2m
Net per share	11.17	8.86

AMETEK	1980 $	1979 $
Third quarter		
Revenue	95.9m	106.3m
Net profits	5.3m	6.15m
Net per share	0.49	0.57
Nine months		
Revenue	300.5m	296.8m
Net profits	16.83m	17.79m
Net per share	1.57	1.67

BAUSCH AND LOMB	1980 $	1979 $
Third quarter		
Revenue	149.6m	129.1m
Net profits	15.6m	11.0m
Net per share	1.30	0.94
Nine months		
Revenue	431.8m	370.8m
Net profits	40.4m	29.5m
Net per share	3.37	2.51

BECKMAN INSTRUMENTS	1980 $	1979 $
First quarter		
Revenue	138.6m	118.0m
Net profits	8.41m	7.92m
Net per share	0.40	0.44

BELL AND HOWELL	1980 $	1979 $
Third quarter		
Revenue	161.6m	137.9m
Net profits	4.3m	3.94m
Net per share	0.76	0.71
Nine months		
Revenue	457.0m	391.2m
Net profits	12.56m	10.47m
Net per share	2.23	1.88

CONE MILLS	1980 $	1979 $
Third quarter		
Revenue	185.3m	170.2m
Net profits	12.87m	12.37m
Net per share	2.23	2.13
Nine months		
Revenue	563.6m	516.6m
Net profits	40.16m	31.6m
Net per share	6.96	5.44

CONTINENTAL TELEPHONE	1980 $	1979 $
Third quarter		
Revenue	940.1m	852.4m
Net profits	90.2m	87.2m
Net per share	1.57	1.59
Nine months		
Revenue	316.9m	297.8m
Net profits	31.9m	29.9m
Net per share	0.55	0.53

CROWN CORK	1980 $	1979 $
Third quarter		
Revenue	394.7m	389.6m
Net profits	20.4m	20.2m
Net per share	1.40	1.33
Nine months		
Revenue	1.14bn	1.08bn
Net profits	57.6m	55.3m
Net per share	3.91	3.65

CROWN ZELLERBACH CANADA	1980 $	1979 $
Third quarter		
Revenue	173.8m	162.6m
Net profits	9.7m	14.1m
Net per share	1.15	1.70
Nine months		
Revenue	492.8m	456.7m
Net profits	29.4m	40.8m
Net per share	3.53	4.95

FIRST INTNL. BANCSHARES	1980 $	1979 $
Third quarter		
Net profits	28.97m	25.7m
Net per share	1.43	1.25
Nine months		
Net profits	86.19m	73.42m
Net per share	4.22	3.60

FLORIDA POWER & LIGHT	$ 1980	$ 1979
Third quarter		
Revenue	707.2m	615.0m
Net profits	74.78m	84.21m
Year		
Net per share	1.60	1.87
Revenue	2.25bn	1.84bn
Net profits	217.14m	195.73m
[illegible]		

HEUBLEIN	1980 $	1979 $
First quarter		
Revenue	475.4m	454.1m
Net profits	23.08m	20.18m
Net per share	1.07	0.95

HOUSTON INDUSTRIES	1980 $	1979 $
Third quarter		
Revenue	755.7m	551.0m
Net profits	79.24m	61.0m
Net per share	2.01	1.84
Year		
Revenue	2.27bn	1.72bn
Net profits	180.72m	158.48m
Net per share	4.85	4.90

HUGHES TOOL	1980 $	1979 $
Third quarter		
Revenue	327.9m	203.3m
Net profits	35.3m	24.3m
Net per share	1.40	1.12
Nine months		
Revenue	853.5m	559.2m
Net profits	90.0m	57.8m
Net per share	3.67	2.68

JIM WALTER	1980 $	1979 $
Fourth quarter		
Revenue	508.6m	545.4m
Net profits	18.1m	28.9m
Net per share	1.04	1.67
Year		
Revenue	1.98bn	1.95bn
Net profits	84.2m	98.0m
Net per share	4.85	5.65

KAISER CEMENT	1980 $	1979 $
Third quarter		
Revenue	65.0m	71.3m
Net profits	10.81m	8.68m
Net per share	1.43	1.23
Nine months		
Revenue	173.1m	191.8m
Net profits	18.24m	27.16m
Net per share	2.52	3.89

KIMBERLY-CLARK	1980 $	1979 $
Third quarter		
Revenue	656.7m	555.6m
Net profits	43.9m	36.6m
Net per share	1.90	1.56
Nine months		
Revenue	1.92bn	1.65bn
Net profits	137.9m	119.0m
Net per share	5.93	5.08

MEREDITH CORPORATION	1980 $	1979 $
First quarter		
Revenue	94.0m	82.4m
Net profits	6.22m	4.52m
Net per share	1.98	1.45

MUNSINGWEAR	1980 $	1979 $
Third quarter		
Revenue	40.2m	35.4m
Net profits	†627,610	502,133
Net per share	†0.47	0.38
Nine months		
Revenue	109.5m	96.4m
Net profits	†11,785	1.0m
Net per share	†0.01	0.76

† Loss

NATIONAL DISTILLERS & CHEMICAL	1980 $	1979 $
Third quarter		
Revenue	472.0m	491.3m
Net profits	†211,000	23.6m
Net per share	†0.09	0.69
Nine months		
Revenue	1.54bn	1.55bn
Net profits	72.5m	103.2m
Net per share	2.07	3.08

† Loss

NORTHWEST BANCORP	1980 $	1979 $
Third quarter		
Net profits	28.15m	26.83m
Net per share	1.09	1.04
Nine months		
Net profits	85.9m	80.4m
Net per share	3.32	3.12

PARKER HANNIFIN	1980 $	1979 $
First quarter		
Revenue	240.0m	236.0m
Net profits	10.1m	10.4m
Net per share	0.68	0.71

REEVES BROS.	1980 $	1979 $
First quarter		
Revenue	80.43m	80.79m
Net profits	3.67m	4.07m
Net per share	1.58	1.65

REICHHOLD CHEMICALS	1980 $	1979 $
Third quarter		
Revenue	214.0m	221.3m
Net profits	4.68m	1.27m
Net per share	0.57	0.07
[illegible]		

SOUTHERN PACIFIC	1980 $	1979 $
Third quarter		
Revenue	727.4m	673.0m
Net profits	53.5m	30.8m
Net per share	1.99	1.15
Nine months		
Revenue	2.11bn	1.84bn
Net profits	91.6m	123.1m
Net per share	3.40	4.57

TEXACO CANADA	1980 C$	1979 C$
Third quarter		
Revenue	902.0m	668.3m
Net profits	95.3m	68.0m
Net per share	0.75	0.52
Nine months		
Revenue	2.6bn	1.9bn
Net profits	277.8m	168.8m
Net per share	2.17	1.27

TRANS UNION	1980 $	1979 $
Third quarter		
Revenue	285.0m	226.1m
Net profits	19.2m	14.9m
Net per share	1.53	1.23
Nine months		
Revenue	787.2m	657.7m
Net profits	46.8m	38.2m
Net per share	3.75	3.18

TRANS WORLD	1980 $	1979 $
Third quarter		
Revenue	1.41bn	1.26bn
Net profits	119.7m	41.4m
Net per share	6.99	2.28
Nine months		
Revenue	3.77bn	3.26bn
Net profits	82.3m	52.4m
Net per share	4.08	2.57

TYLER	1980 $	1979 $
Third quarter		
Revenue	142.7m	147.2m
Net profits	†4.0m	7.57m
Net per share	†0.42	0.76
Nine months		
Revenue	414.2m	380.2m
Net profits	3.56m	18.21m
Net per share	0.37	1.80

† Loss.

UNION PACIFIC	1980 $	1979 $
Third quarter		
Revenue	1.19bn	976.9m
Net profits	118.1m	85.5m
[illegible]		

BRUNSWICK CORP. [illegible]

BURNDY [illegible]

CARLISLE CORP. [illegible]

CESSNA AIRCRAFT [illegible]

COMMONWEALTH EDISON [illegible]

FRUEHAUF [illegible]

GAF CORPORATION [illegible]

GENERAL SIGNAL [illegible]

GEORGIA PACIFIC [illegible]

W. W. GRAINGER [illegible]

LOUISIANA-PACIFIC [illegible]

ROHM AND HAAS [illegible]

MASONITE CORPORATION [illegible]

McGRAW EDISON [illegible]

MCI COMMUNICATIONS [illegible]

MELVILLE CORPORATION [illegible]

RUBBERMAID [illegible]

SCM CORPORATION [illegible]

SHERWIN-WILLIAMS [illegible]

SMITHKLINE [illegible]

USAIR [illegible]

U.S. HOME [illegible]

WARNACO [illegible]

WHEELABRATOR-FRYE [illegible]

ZENITH RADIO [illegible]

J. P. STEVENS

Organised labour marches south

BY IAN HARGREAVES IN NEW YORK

"THE SUCCESSFUL *conclusion* of the most protracted labour dispute in U.S. history." . . . "A major victory for all the working people of America." . . . "It feels real good."

These were some of the many immediate and more obvious reactions from union leaders and shopfloor workers on Sunday night to the news that after 17 years, the Amalgamated Clothing and Textile Workers Union (ACTWU) had finally got more than a foot in the door at J. P. Stevens, the second largest U.S. textile company.

The two sides agreed, at the end of a campaign which has involved boycotts, occasional violence and endless litigation, that the 10 per cent of Stevens' workers who have already voted for the union will be granted normal bargaining rights and that in future, if the union can win plant ballots, other workers will not be prevented from following suit.

Cause celebre

It has been, for the past decade, the cause celebre of U.S. labour, both in terms of the tactics the unions have used to press their claims and the significance which Stevens is held to possess for the still infant *union movement in the* southern states of the U.S.

Only one in 10 textile workers belong to unions and the unions believe it has been this industry, with its traditions of low pay and southern location, which has undermined the strength of the U.S. labour movement as a whole as industry has drifted south in the past 10 years.

The domino theory that if Stevens falls others follow has come to be accepted *wisdom* among labour leaders and, to some extent, among industrialists in the south, some of whom have been more than content to see Stevens take the union flak and hold the line *against the unions.*

This is perhaps especially true of the large number of foreign companies, notably the Japanese, which have flocked to the south in recent years.

When, then, will the dominoes *start to fall?* The answer is that there must be serious doubt about whether the theory applies in North Carolina any more than it did in South Vietnam.

The best starting point for assessing *the question is with* J. P. Stevens itself and the question of why the company has, after 17 years of resistance, caved in.

There is no doubt that the unions' campaign, although still belittled by company officials, was effective. For the last four years, the unions are estimated to have spent $10m on a campaign, led by the AFL-CIO trade union federation, to boycott Stevens' products, to persuade other companies to remove Stevens executives from their boards (Manufacturers Hanover Trust, one of New York's largest banks, was one which obliged) and to raise an unprecedented wail of protest from labour, social and religious *organisations* against the company's behaviour. The public relations was fervent, sustained and well-handled, involving even the inspiration of an Oscar winning film, Norma Rae, about a union battle for a southern textile plant.

But the unity of the campaign was only possible because of the union's finely executed legal strategy, which involved enmeshing the company in litigation stemming from more than 20 anti-Stevens *rulings* by the Government's National Labour Relations Board. By 1976, the union was able to argue that Stevens was not simply anti-union, it was anti-law, as the company avoided complying *with court orders.*

The sandbag strategy of Stevens was the work of Mr. James Finley, an uncompromising Georgian and one of the few non-members of the Stevens family to be the company's chairman.

His premature replacement in January of this year by Mr. Whitney Stevens, great-great grandson of the man who founded the first Stevens woollens mill in Massachussetts in *1813, was the first clear signal* that the company's approach would change.

Anti-union zeal

Mr. Stevens, an urbane, relaxed individual able to joke with reporters on Sunday that he had not seen Norma Rae because he was afraid of being recognised *in the cinema, proclaims* himself to be equally possessed of the company's anti-union zeal. But he has calcu*lated that sandbags and sackings* are not the way to win anything in 1980.

He said on Sunday: "The company continues to be openly and strongly opposed to unions in its non-union plants." That *means more than 70 plants and* 30,000 workers—90 per cent of Stevens' hourly paid workforce.

Mr. Stevens has, he believes, reason for confidence that now the company is to play by the rules in fighting the union, it will go *on winning*, but without the stigma of past years. The union, which has only ever won a handful of elections at *Stevens, hopes that relief* from the threat of intimidation will bring the workers into its ranks. However, *Stevens hopes* that by continuing to pay almost $1 an hour more than the textile industry average ($5.54 is the Stevens average) it will hold its ground.

But when it comes to the rest of the country, or indeed the south, there is no sign anywhere that the U.S. labour movement *is within sight of re*versing the trends of a decade of decline. In 1974, according to the Bureau of Labour statistics, 28.9 per cent of U.S. non-agricultural workers belonged to unions or employees' *associations. In 1978, the last* year for which official figures are available, it was 26.2 per cent and today most estimates put the ratio at 24 per cent. Polls also show that the number who approve of unions has slipped steadily from 72 per cent in 1936 to 55 per cent

Most of these losses have been in the north, while in the south the ratios have wavered between the low level of around 10 per cent in North Carolina and 24 per cent in Alabama. Most of any growth there has been stems from effective work *by strong* unions such as the United Autoworkers to force Ford and General Motors to allow them into their new southern plants.

The main reason for this, apart from the more-difficult-to-determine question of whether southerners are not simply anti-union, is that 20 states have, since the 1950s, enacted right-to-work laws, which outlaw the union *closed shop.*

In spite of major political efforts, the unions have not succeeded in reversing these laws in any state. They now accept that the only chance of repeal is if right-to-work laws are out*lawed by Congress.*

So, the fall of Stevens may not prove to be the blast that *shook the walls of Jericho.* But at least it is a victory, and the U.S. labour movement can use a victory.

Toyota Motor to prepare Seat report

By Robert Graham in Madrid

A DELEGATION from Toyota Motor Corporation has wound up a 10-day inspection of Seat's Spanish operation with a view to eventual takeover. Toyota is expected to prepare a detailed report on Seat, which will be completed within a month, according to Sr. Jose Miguel de la Rica, president of the State holding company, INI.

Briefing journalists on INI's activities, Sr. de la Rica said that it was unlikely there would be any major development before six months. However, he expressed *confidence that a deal* could be arranged, adding that a soluton to Seat's future was complex and that the Japanese moved slowly.

Although the main "conversations" on a takeover of Seat, in which INI currently *holds 50* per cent, were with Toyota there were aslo contacts with other multinationals. But Sr. de la Rica declined to mention names. Renault and Volkswagen are among the companies believed to have shown an interest.

INI has been obliged to find a *new international* partner after the Fiat decision not to take control of Seat last May.

Rescue for Italian bank

By Our Rome Correspondent

ISTITUTO BANCARIO San Paolo di Torino, one of Italy's biggest public sector banks, has stepped in to take effective control of an important private credit institute operating in Naples and the south, now facing bankruptcy and collapse.

After a detailed inspection earlier this year by the Bank *of Italy, the Banca Fabbrocini* was placed in "administered liquidation" by the Italian monetary authorities, and Istituto San Paolo was requested to take over the outstanding responsibilities of the bank.

As a result the Turin-based bank has set up new branches to match the 17 of Banca Fabbrocini which have been closed and thus protected the funds deposited at the bank. Under Italian low no bank is permitted totally to default.

Sales advance at Montedison

BY RUPERT CORNWELL IN MILAN

MONTEDISON, Italy's biggest chemical group, last night reported a 19 per cent rise in group turnover during the first nine months of this year to *L6.537bn ($7.5bn).*

The outcome, which is before deduction of intra-company transactions, is in line with estimates made at the start of 1980. These foresaw a turnover on this basis of L8,900bn *($10.2bn) for 1980 as a whole.*

The group still expects that its second half results will be worse than those of the first six months when Montedison's operating accounts were in balance after a string of losses since the mid-1970s. But cautious encouragement is being *drawn from September's* improved turnover of L731bn

Although technical factors, notably stock-rebuilding by Montedison customers, were *largely responsible for* the increase, it represents an upturn from July and August. Then, a sharp deterioration suggested that the chemical industry might experience a particularly severe recession for the *remainder of 1980.*

September's growth also occurred despite strikes, which hit operations of Montedison plants near Venice, and Brindisi, in southern Italy. The sectors which performed best were pharmaceuticals and fertilisers, according to the company.

Meanwhile, administrative delays are again casting a shadow over the L200bn ($229m) capital reconstruction *operation* designed to bring Montefibre, the group's heavily loss-making synthetic fibres division, back to health.

The success of this project, which has to be finally ratified by the end of 1980, is crucial to *efforts to restore the overall* fortunes of Montedison itself. CIPI, the Government's industrial policy committee, gave its blessing last July but it is understood that certain member banks in the rescue consortium *have still been unable to give* their own go-ahead.

Borregaard improves earnings

BY FAY GJESTER IN OSLO

BORREGAARD, the *Norwegian* industrial group with interests in wood processing, chemicals, metals and foodstuffs, reports pre-tax profits of NKr 91.4m ($18.7m) for the first eight months of 1980, an increase of NKr 21.8m on the same period a year earlier.

Group sales totalled NKr 2.06bn, 7 per cent higher than the comparable figure for a year earlier, excluding sales by the Austrian mills, which Borregaard sold last year.

The company says the improved results mainly reflect *lower financial costs,* coupled with increased profits in the chemicals sector. It foresees a result for the last four months of the year "poorer" than in the *May to August period, because* prospects for exports have deteriorated after "a significant negative change in the international business climate" since January.

At the same time, although demand on the *Norwegian coal* market continues to be high, "stringent price control" allows only partial compensation for increased costs. The report expressed concern at rising cost levels in Norway, and says this is *attributable, "to a considerable extent,"* to increases in wages after the end of the wage freeze.

● Norcem, the cement and building materials group which has some offshore interests, reports *a deficit of NKr 41m for the first eight months of this* year, compared with a profit of NKr 9m. Both figures are net of depreciation and interest. Total turnover rose by 7 per cent to about NKr 1.7m, though the offshore division — one *bright spot — increased turnover* by 40 per cent.

Norcem blames the poor result on the Government's price regulation policies, which have prevented it from offsetting higher cement produc*tion costs by corresponding* price increases. It claims that the future of the cement industry in Norway is at stake and that unless the present system is promptly reformed, Norwegian cement plants will *have to shut down.*

Cost cuts give boost to Euroc

BY WESTERLY CHRISTNER IN STOCKHOLM

EUROC, THE Swedish building *materials and* industrial group, reports a sharp jump in pre-tax profit for the first eight months of this year to SKr 68m from SKr 11m. The increase was achieved in spite of an estimated SKr 30m loss from this spring's *domestic labour disruptions,* and is attributed largely to cost cutting.

Sales reached SKr 2.3bn *($552m) from SKr 2bn. For 1979* they totalled SKr 3.3bn. An especially strong second four-month period was recorded this year.

For 1980 as a whole, pre-tax profit *is expected to be "clearly* better" than last year's SKr 70m, although no exact figure for this year's sales or earnings is provided.

Contributing to the improved profit is extraordinary income *arising from the sale of shares* in a Swedish power company.

An earnings improvement was noted for most group divisions, including cement. During the eight months, Cementa's *"positive" profit development* resulted largely from "lower production costs." However, a *deterioration in earnings* was reported for the Dynapac division, which produces construc*tion equipment machinery.*

Paribas takes control of car components group

BY TERRY DODSWORTH IN PARIS

PARIBAS, the French banking and industrial investment concern, has taken a majority stake in Groupe Neiman, a diversified car components company which *specialises in anti-theft devices.*

Paribas says its participation in the company will give Neiman further facilities for expansion, both geographically and in other spheres in which its technology could be developed.

Some 80 per cent of the group's activity is in the auto*motive field, including its anti-*theft devices, horns, windscreen wiper parts and rear lights. The rest of its business is in industrial locks and warning devices.

Nieman is expected to achieve a turnover of FFr 800m ($190m) *this year, of which almost half* will be overseas.

● The high growth rate of Legrand, the French electrical company, was maintained in the first half of this year with a 24.4 per cent rise in net profits to FFr *74.9m ($17.8m), from* FFr 60.2m.

These consolidated figures include *sales* of several ne[illegible] affiliates—Arnould FAE SUTE, Lampyre, Elsin, and Fomes—for the first time. On a *strictly* comparable basis, profits would have been up by 20.9 per cent.

The impact *of taking on the* financial problems of Arnould, a former fittings subsidiary of Compagnie Général d'Electricité, the electical group, is shown in the difference between the 24 per cent rise in net *profits* and the 47 per cent increase in turnover.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

JAPANESE DEPARTMENT STORES — INTERIM RESULTS

Sales up despite the cool summer

BY YOKO SHIBATA IN TOKYO

INTERIM RESULTS of Japan's five major department store operators have swept away earlier worries of a sales slowdown under the impact of the cool summer weather and inflation—turnover having been boosted by discount selling, space expansion, and a tendency among customers towards higher quality merchandise.

Performances differed among companies for the period to August 31: Some operators (Mitsukoshi, Takashimaya, and Matsuzakaya) increased sales but suffered lower gross profit margins while others (Daimaru and Sogo) reported only single figure growth in sales but chalked up double figure operating profits.

Mitsukoshi returned to double figure growth in sales for the first time in seven years, as a result of strong sales of quality items with high profit margins, such as household goods.

Daimaru's interim operating profits reached Y5bn ($24m) for the first time, on the back of good earnings at all 10 branches and strengthened sales of own-brand products. For the full fiscal year to February, 1981, Daimaru has revised downwards its initial target of sales, operating profits and net profits by Y7bn., Y100m and Y100m respectively.

Daimaru placed major stress on sales of higher priced products and achieved the largest gain in operating profits on the lowest turnover. The company improved its gross profit margin on total sales by 0.74 per cent, in sharp contrast to other stores owners with lowered margins.

Takashimaya, also achieved double-figure growth in sales (for the first time in five years) and topped its initial target by Y8.6bn. Better than expected sales resulted from expanded space at the Osaka main store, coupled with discount sales to mark the company's 150th anniversary. The company has revised upwards its targets for sales, operating profits and net profits to Y41bn (up Y10bn), Y10.5bn (up Y200m) and Y4.8bn (up Y100m), respectively, for the full fiscal year.

Matsuzakaya reported a far better sales and earning performance than expected. For the full year, the company has lifted its targets by Y5bn to Y32.5bn for sales; by Y1.4bn to Y8.8bn for operating profits; and by Y1.15bn to Y4.15bn for net profits. The company increased its borrowing by Y300bn for the opening of the Takatsuki branch and the resulting higher interest payments accounted for the 5.5 per cent setback in operating profits.

Sogo improved its gross profits margin by 0.1 per cent with a good showing of sales of higher priced products.

For the current half year ending February, consumer spending as a whole is expected to weaken and the utility price rises will have a greater effect than in the first half.

However, the financial burden is expected to be reduced by the prospective reduction in the official discount rate. Mitsukoshi expects a large contribution from its newly opened Kurashiki branch, but the other four companies foresee single figure sales growth in the current half. On the grounds of the consumer tendency toward higher priced products, the department stores plan to emphasise their differences with supermarket stores.

Six months to August 31

	Sales Ybn	Change on year %	Operating profits Ybn	Change on year %	Net profits Ybn	Change on year %	Gross margin %	Change %
Mitsukoshi	257.07	+11.2	9.21	+ 8.9	5.01	+ 14.6	24.93	−0.58
Daimaru	201.58	+ 3.4	5.00	+22.0	2.69	+ 4.6	23.27	+0.74
Takashimaya	196.60	+11.4	5.09	+ 7.6	2.32	+ 3.9	24.02	−0.09
Matsuzakaya	154.01	+10.9	3.17	− 5.5	1.86	+105.5	23.42	+0.07
Sogo	85.59	+ 9.1	2.24	+20.4	1.29	+ 14.0	21.89	+0.06

Overseas Trust Bank floats off a subsidiary

BY OUR HONG KONG CORRESPONDENT

OVERSEAS TRUST BANK (OTB), one of Hong Kong's larger Chinese banks, has announced that one of its subsidiaries, *Hong Kong Industrial* and Commercial Bank (HICB), is to go public, with a HK$108.5m (US$21.7m) share issue. The 31m shares involved will be sold at HK$3.50 each. The isue is made up of 13.66m new shares and an offer for sale of 17.33m existing shares, currently held by OTB, which will have 58.78 per cent of the enlarged capital after the issue. Applications will be open from November 7 to November 17.

The HK$45.76m proceeds from the new shares to be issued will be used for the expansion of HICB, which began operation in 1965 and currently has 17 branches in Hong Kong, in addition to operating a deposit-taking company, HICB Finance, and a nominee holding company, HICB Nominee.

The bank offers a full range of banking services and has established correspondent relationships with banks in Asia, North America, and Europe. HICB turned in profits last year of HK$19.8m (U.S.$3.96m) after transfers to inner reserves, and the board has forecast profits for the year to June 30, 1981 of HK$26m and a dividend of 15 cents a share. This will give the new shares a price-earnings multiple on the forecast profits of 10.4 and a dividend yield of 4.29 per cent. The bank's assets now stand at HK$1.32bn (U.S.$264m) and the net asset value on June 30, was calculated at HK$3.51 a share.

The offer is jointly underwritten by Sun Hung Kai Securities, which operates Hong Kong's largest brokerage house, and Sun Hung Kai Finance which last year was split off from Sun Hung Kai Securities.

Mitsubishi Electric sees profit slowdown

TOKYO — Mitsubishi Electric Corporation, the Japanese electrical machinery concern believes its profits before tax and special items in the first half to September, to have fallen to about Y22bn ($105m) from Y23.08bn a year earlier, in view of its poor sales of air conditioners.

The estimated figure is down about 14 per cent from that for the preceding six months. This means that the first half-year decline in five years is in prospect. The company is expected to report its business results for the half early next week.

Mitsubishi said sales of air conditioners fell by about 20 per cent in the first half, more than offsetting increased sales of colour television sets, video tape recorders and semiconductors.

Orders received in the half totalled about Y660bn, against Y573bn a year earlier.

Sales in the period are thought to have reached a total of about Y580bn, compared with Y514.95bn.

Securities houses have said that Mitsubishi Electric will pay a special dividend of Y1 to Y1.5 a share for the current year, ending March, in commemoration of the sixtieth anniversary of its foundation. The company last year paid a Y6 Ordinary dividend.

Reuter

Advance for General Tire South Africa

By Jim Jones in Johannesburg

GENERAL TIRE and Rubber Company (South Africa), the rubber manufacturer from which the U.S. parent, General Tire, disinvested last year, has reported a 33.1 per cent rise in interim pre-tax profits to R7.83m ($10.4m) for the six months to August 31. This compares with R5.89m for the corresponding period last year and R14.59m for the 14 months to end-February, 1980. First-half turnover was R61.2m ($81.6m) against R41.6m in the corresponding six months last year and R105.5m for the last 14 month period.

Growth was uneven, the board says, with the tyre division, reflecting increased activity in the South African motor industry, progressing satisfactorily, while the replacement market was inhibited by low-cost, imports.

An interim dividend of 25 cents has been declared from first-half earnings per share of 148.2 cents. In the 14 months to end-February a 50 cents total dividend was paid from earnings per share of 265.5 cents.

First Malaysia prime rate rise in two years

By Wong Sulong in Kuala Lumpur

MALAYSIA'S two largest banks—Malayan Banking Berhad and Bank Bumiputra—raised their prime lending rates by 1 per cent to 8.5 per cent a year over the weekend.

The move is likely to be followed quickly by other banks, and is described by bankers as "long overdue," considering that the previous prime lending rate had been unchanged for nearly two years and was one of the lowest in the world.

Foreign banks, in particular, have complained that they had been losing money by paying higher rates for their deposits while maintaining the 7.5 per cent prime rate set by the central bank.

CURRENCIES, MONEY and GOLD

£ & $ firm

STERLING and the U.S. dollar were both very firm in currency markets yesterday. The pound maintained its recent improvement, underpinned by North Sea oil and high interest rates, and reached a new five and a half year high on a trade-weighted basis. Its Bank of England index closed at 77.8 compared with 77.2 on Friday. Against the dollar it opened at $2.4100-2.4110 and touched $2.42 around mid-afternoon. Strong demand for the pound in U.S. centres pushed it to a closing level of $2.4295-2.4305, its highest since May 1974. Sterling was particularly firm against European currencies, touching a new four year high against the D-mark at DM 4.5325 against DM 4.4525 on Friday, and closing at FFr 10.4350 from FFr 10.2725 against the French franc, its best level since December 1974.

The current weakness of the D-mark had much to do with both sterling and the U.S. dollar's rise, as investors switched into the two currencies offering high interest rates. The dollar was also boosted by Friday's U.S. money supply figures which showed a further rise, which in turn led to speculation that U.S. interest rates may be forced higher. The dollar closed at its best level of the day, and well up from Friday's levels. After the close of business in London the U.S. unit continued to improve in New York. In London it closed at DM 1.8640 against the D-mark, its highest level since April this year, and compared with Friday's close of DM 1.8425. The dollar was firmer against most other currencies too, but eased against the Swiss franc to SwFr 1.6570 from SwFr 1.6575, as the latter showed some resistance to the dollar's recent improvement. On Bank of England figures, the dollar's trade-weighted index rose from 83.9 to 84.2.

D-MARK — Second weakest member of the European Monetary System, and lower against the U.S. dollar on higher U.S. interest rates. The German currency is around a four-year low against sterling, and its lowest level against the dollar since April—The D-mark was sharply weaker at yesterday's fixing in Frankfurt, reflecting a basic turnaround in market sentiment. With UK interest remaining firm for the time being, and U.S. rates rising further, widening interest rate differentials have depressed the German unit, together with indications of a slow down in German economic growth. At the fixing the dollar rose to DM 1.8516 from DM 1.8402, despite the selling of more than $36m by the Bundesbank. Sterling improved sharply to DM 4.4790 from DM 4.4510, while the Swiss franc was higher at DM 1.1191.

DANISH KRONE — Trading steadily around the middle of the EMS, having suffered two devaluations in 1979—The krone was firmer against the D-mark, Dutch guilder and Italian lira at yesterday's fixing in Copenhagen, but lost ground in terms of sterling and the U.S. dollar. Within the EMS it maintained its place above the Belgian franc, D-mark and lira, reflecting the current weakness of the D-mark. However the krone has also been helped by recent currency inflows, and indications that September trade figures, due later this week, while being slightly worse than August's figure, should show some improvement compared with earlier months this year. The latest set of figures seem likely to reflect a higher level of oil imports. Yesterday the D-mark was lower at DKr 3.0802 from DKr 3.0815, and the Dutch guilder at DKr 2.8435 compared with DKr 2.8465.

THE POUND SPOT AND FORWARD

Oct. 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.4085-2.4310	2.4295-2.4305	0.92-0.82c pm	4.30	1.63-1.53 pm	2.60
Canada	2.8100-2.8370	2.8350-2.8360	1.90-1.80c pm	7.83	3.52-3.42 pm	4.90
Nethlnd.	4.83-4.92	4.90-4.91	3⅞-2⅞c pm	8.26	8½-7½ pm	6.52
Belgium	71.35-72.40	72.20-72.30	40-30c pm	5.81	75-65 pm	3.88
Denmark	13.70-13.89	13.87-13.88	3¼-1⅝ore pm	2.05	1⅝ pm-par	0.76
Ireland	1.1880-1.1990	1.1970-1.1980	0.40-0.30p pm	3.51	0.81-0.66 pm	2.46
W. Ger.	4.46-4.54	4.52¾-4.53¾	4-3pf pm	9.27	8⅞-7⅞ pm	7.39
Portugal	122.40-123.50	123.15-123.35	5c pm-35 dis	−2.92	10-95 dis	−1.70
Spain	179.60-182.00	181.85-181.95	95-140c dis	−7.75	310-375 dis	−7.53
Italy	2113-2139	2136½-2138½	1¾-3¾lire dis	−1.54	26¾-29¾ dis	−5.29
Norway	11.82-11.95	11.93-11.94	9⅝-7⅝ore pm	8.55	15⅞-13⅞ pm	4.90
France	10.28-10.46	10.43-10.44	5¾-4¾c pm	6.04	11¾-10¾ pm	4.12
Sweden	10.12-10.22	10.20½-10.21½	2⅞-2ore pm	2.86	3⅛-2⅜ pm	1.20
Japan	500-510	506½-507½	3.55-3.15y pm	7.93	7.80-7.40 pm	6.00
Austria	31.50-32.00	31.93-31.98	16-14gro pm	5.63	32-27 pm	3.69
Switz.	3.99-4.04	4.02¼-4.03¼	4⅞-3⅞c pm	13.04	11-10 pm	10.43

Belgian rate is for convertible francs. Financial franc 72.40-72.50. Six-month forward dollar 2.05-1.95c pm. 12-month 2.50-2.35c pm.

THE DOLLAR SPOT AND FORWARD

Oct. 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.4085-2.4310	2.4295-2.4305	0.92-0.82c pm	4.30	1.63-1.53 pm	2.60
Ireland†	2.0180-2.0295	2.0180-2.0200	0.20-0.10c pm	0.89	0.20 pm-par	0.20
Canada	1.1667-1.1673	1.1670-1.1673	0.35-0.31c pm	3.39	0.71-0.66 pm	2.35
Nethlnd.	2.0050-2.0160	2.0150-2.0160	0.72-0.62c pm	4.00	2.00-1.90 pm	3.88
Belgium	29.61½-29.75	29.73-29.75	6½-5c pm	2.32	13½-11 pm	1.65
Denmark	5.6985-5.7100	5.7085-5.7100	0.40-0.90ore dis	−1.38	2.75-3.25dis	−2.10
W. Ger.	1.8490-1.8645	1.8635-1.8645	0.80-0.75pf pm	5.02	2.29-2.24 pm	4.86
Portugal	50.55-50.75	50.65-50.75	15-30c dis	−5.32	35-70 dis	−4.14
Spain	74.75-74.85	74.80-74.85	70-85c dis	−12.43	185-210dis	−10.56
Italy	876.75-880.25	879.75-880.25	4¾-5¾lire dis	−7.16	17-19 dis	−8.19
Norway	4.9020-4.9125	4.9100-4.9110	2½-2ore pm	5.50	3.80-3.30 pm	2.89
France	4.2870-4.2970	4.2945-4.2970	0.72-0.62c pm	1.87	1.75-1.65 pm	1.59
Sweden	4.1955-4.2040	4.1965-4.1970	0.40-0.55ore dis	−1.36	1.35-1.50dis	−1.36
Japan	208.00-208.75	208.55-208.65	0.80-0.60y pm	4.03	2.00-1.80 pm	3.64
Austria	13.08½-13.15½	13.14½-13.15½	2.20-1.80gro pm	1.73	4.75-3.00 pm	1.18
Switz.	1.6490-1.6620	1.6565-1.6575	1.40-1.35c pm	9.96	3.45-3.40 pm	8.27

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Oct. 20	Bank of England Index	Morgan Guaranty Changes%
Sterling	77.8	−27.7
U.S. dollar	84.2	−9.5
Canadian dollar	80.6	−17.3
Austrian schilling	152.2	+23.0
Belgian franc	113.7	+12.3
Danish kroner	104.6	−6.1
Deutsche mark	150.2	+41.1
Swiss franc	197.6	+82.3
Guilder	124.8	+19.3
French franc	99.4	−6.7
Lira	51.7	−52.0
Yen	137.9	+35.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

Oct. 17	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	16	0.541729	0.573996
U.S. $	11	1.30898	1.38798
Canadian $	11.60	1.52719	1.62019
Austria Sch.	6¾	17.0324	18.0021
Belgium F	12	38.5495	40.8483
Danish K	12	7.41406	7.84417
D'mark	7½	2.40878	2.54861
Guilder	8½	2.61011	2.76375
French Fr.	9½	5.54877	5.88295
Lira	16½	1141.10	1209.62
Yen	8.25	273.446	289.075
Norwgn. Kr.	9	6.40157	6.79069
Spanish Pts.	8	97.6263	103.640
Swedish Kr.	10	5.48332	5.81175
Swiss Fr.	3	2.17029	2.29322

OTHER CURRENCIES

Oct. 20	£	$		£ Note Rates
Argentina Peso	4694-4704	1941-1948	Austria	31.50-31.80
Australia Dollar	2.0600-2.0640	0.8505-0.8510	Belgium	71.40-72.10
Brazil Cruzeiro	140.77-141.77	58.38-58.48	Denmark	13.72-13.87
Finland Markka	8.93-8.94	3.6950-3.6970	France	10.25-10.34
Greek Drachma	104.019-106.516	43.25-43.40	Germany	4.46-4.50
Hong Kong Dollar	12.16-12.18	5.0310-5.0330	Italy	2105-2190
Iran Rial	n.a.	n.a.	Japan	502-509
Kuwait Dinar(KD)	0.641-0.647	0.2672-0.2673	Netherlands	4.83-4.87
Luxembourg Frc.	72.20-72.30	29.73-29.75	Norway	11.85-11.93
Malaysia Dollar	5.1350-5.1600	2.1260-2.1310	Portugal	116-129
New Zealand Dlr.	2.4655-2.4705	1.0180-1.0190	Spain	174¾-184½
Saudi Arab. Riyal	7.97-8.03	3.3230-3.3250	Sweden	10.12-10.24
Singapore Dollar	5.0350-5.0600	2.0850-2.0900	Switzerland	3.98-4.08
Sth. African Rand	1.8225-1.8235	0.7500-0.7505	United States	2.41¼-2.42¾
U.A.E. Dirham	8.86-8.92	3.6875-3.6925	Yugoslavia	73-75

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 20	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.8545	+2.68	+0.80	±1.53
Danish Krone	7.72336	7.85692	+1.73	−0.15	±1.64
German D-Mark	2.48208	2.55291	+2.85	+0.97	±1.125
French Franc	5.84700	5.89027	+0.74	−1.14	±1.3557
Dutch Guilder	2.74362	2.76669	+0.84	−1.04	±1.512
Irish Punt	0.668201	0.680356	+1.82	−0.06	±1.668
Italian Lira	1157.79	1210.00	+4.51	+2.75	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Oct. 17	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.430	4.533	507.0	10.44	4.028	4.905	2138.	2.836	72.25
U.S. Dollar	0.412	1.	1.865	208.6	4.294	1.657	2.019	879.5	1.167	29.73
Deutschemark	0.221	0.536	1.	111.9	2.302	0.889	1.082	471.6	0.626	15.94
Japanese Yen 1,000	1.972	4.793	8.940	1000.	20.58	7.944	9.675	4215.	5.593	142.5
French Franc 10	0.958	2.329	4.344	485.9	10	3.860	4.701	2048.	2.717	69.24
Swiss Franc	0.248	0.605	1.125	125.9	2.591	1.	1.218	530.7	0.704	17.94
Dutch Guilder	0.204	0.495	0.924	103.4	2.127	0.821	1.	435.8	0.578	14.75
Italian Lira, 1,000	0.468	1.137	2.120	237.2	4.882	1.884	2.295	1000.	1.327	33.80
Canadian Dollar	0.353	0.857	1.598	178.8	3.680	1.420	1.730	753.8	1.	25.48
Belgian Franc 100	1.384	3.363	6.273	701.7	14.44	5.574	6.789	2958.	3.925	100.

FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 20)

3 months U.S. dollars		6 months U.S. dollars	
bid 13 5/8	offer 13 3/4	bid 13 5/8	offer 13 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Oct. 20	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	18⅛-18⅜	12½-12¾	8¼-9¼	8⅞-9⅛	1-1¼	8 3/16-8 5/16	11⅝-11⅞	14-17	—	9¼-9½
7 days' notice	18⅛-18⅜	12⅝-12⅞	8¾-9¾	8⅞-9⅛	1-1¼	8 3/16-8 5/16	11⅝-11⅞	16½-18½	—	9½-9¾
Month	17 5/16-17⅜	13 1/16-13 3/16	10⅝-10¾	9 1/16-9¼	4 1/16-4 3/16	8 3/16-8 5/16	11 11/16-11 13/16	18½-19½	—	9¾-10
Three months	16¼-16 7/16	13⅜-13 9/16	11⅛-11½	9⅛-9⅜	5 1/16-5 3/16	8 3/16-8 5/16	11⅞-12⅛	21-22	—	9⅝-9⅞
Six months	15¼-15½	13 7/16-13 9/16	12-12⅜	9¼-9 7/16	5 3/16-5 5/16	8½-8⅝	12 1/16-12 3/16	21½-22½	—	9⅝-9⅞
One Year	15¼-15½	12 13/16-13 1/16	12-12⅜	9¼-9½	5 1/16-5 3/16	8⅜-8½	12 11/16-12 13/16	21½-22½	—	9⅛-9¾

Long-term Eurodollar two years 12¾-13 per cent; three years 12¾-13 per cent; four years 12¾-13 per cent; five years 12¾-13 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 13.10-13.20 per cent; three-months 13.20-13.30 per cent; six-months 13.10-13.20 per cent; one year 12.55-12.75 per cent.

INTERNATIONAL MONEY MARKETS

Europe rates ease

European short-term interest rates showed an underlying soft trend yesterday, with rates on Belgian Treasury certificates reduced, and a cut in the Bank of France money market intervention rate.

In Brussels the National Bank cut the rate on Treasury certificates by 0.25 per cent to 11.60 per cent for one-month notes; 11.85 per cent for two-month; and 12.10 per cent for three-month.

Four-month Belgian bonds funds, known as certificates des fonds des rentes, were left unchanged at 12.60 per cent.

In Paris the central bank lowered its money market intervention rate to 11¼ per cent from 11½ per cent, when buying FFr 16bn of first category paper maturing on November 1-10, November 11-15, and November 16-25, at its regular monthly tender.

This is the lowest intervention rate since August 20, which was itself the lowest since September last year, and follows a recent decline in call money in the Paris market. On Friday call money fell to 11 per cent, the lowest for two months, and was unchanged yesterday. The injection of funds is expected to help banks through any shortage of liquidity caused by subscriptions to the FFr 10.5bn state bond launched on October 9.

In Frankfurt period rates were slightly firmer, but call money was unchanged at 8.95-9.05 per cent.

MONEY RATES

NEW YORK

Prime Rate	14
Fed. Fund.	12¾-12⅞
Treasury Bills (13-week)	11.22
Treasury Bills (26-week)	11.40

GERMANY

Discount Rate	7.50
Overnight Rate	9.00
One month	8.975
Three months	8.975
Six months	8.675

FRANCE

Discount Rate	9.5
Overnight Rate	11.00
One month	11.53125
Three months	11.8725
Six months	12.00

JAPAN

Discount Rate	8.25
Call (Unconditional)	11.0625
Bills Discount (three-month)	10.78125

UK MONEY MARKET

Extreme help

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave extremely large assistance by buying a small amount of Treasury bills from the discount houses and banks, a moderate number of eligible bank bills from the houses for resale at fixed future dates, and by lending a moderate amount overnight to six or seven houses at Minimum Lending Rate.

Banks brought forward small surplus balances, but this was outweighed by repayment of moderate amount borrowed on Friday, and an excess of revenue payments to the Exchequer over Government disbursements.

Discount houses paid 15¾-16 per cent for secured call loans at the start, with late balances taken at 14½-15½ per cent. In the interbank market overnight rates remained very firm, touching 20-21 per cent, before falling to 15 per cent at the close.

GOLD

Weaker trend

Gold fell to its lowest level for over a month in the London bullion market yesterday, and closed at $650-653, a fall of $15 an ounce from Friday. It opened at $664-667, and eased at the morning fixing to $664.20 in a fairly steady market. Soon after however, selling developed and was continued after the entry of New York into the market. Gold was quoted at around $646-649 in New York after the close in London.

In Paris the 12½ kilo bar was fixed at FFr91,750 per kilo ($668.71) in the afternoon, compared with FFr91,750 ($668.51) in the morning and FFr92,250 ($676.87) on Friday afternoon.

	Oct. 20		Oct. 17	
Gold Bullion (fine ounce)				
Close	$650-653	(£268-269¼)	$665-668	(£275¼-276½)
Opening	$664-667	(£275½-276¾)	$668-671	(£275¾-278)
Morning fixing	$664.20	(£274.860)	$667.75	(£276.158)
Afternoon fixing	$657.00	(£271.634)	$670.50	(£277.100)
Gold Coins				
Krugerrand	$670-672	(£276-277½)	$687-689	(£284-285)
1/2 Krugerrand	$342-347	(£140-143)	$357-362	(£147½-150½)
1/4 Krugerrand	$174-178	(£70½-73½)	$180-185	(£74½-77½)
1/10 Krugerrand	$70-75	(£28½-30½)	$73-76	(£30-32)
Mapleleaf	$663-667	(£273½-275½)	$681-684	(£281½-284)
New Sovereigns	$165½-166½	(£68-69)	$169¾-170¾	(£70¼-71)
King Sovs.	$188-190	(£77½-79)	$190-192	(£78½-79½)
Victoria Sovs.	$188-190	(£77½-79)	$190-192	(£78½-79½)
French 20s	$169-172		$170½-172	
50 pesos Mexico	$814-817		$830-835	
100 Cor. Austria	$642-646		$652-656	
$20 Eagles	$758-772		$776-780	

LONDON MONEY RATES

Oct. 20 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	15-21	19-21	—	—	16¼	14½-16	—	—	—
2 days notice	—	—	18-18½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	18-19	18	—	19	—	16	—	—	—
One month	17-16¾	18⅞-17 1/16	17	18¼-17¼	17½	17¾	15½	14 13/16-14 11/16	16 1/16-16¼	16⅝
Two months	16 5/16-16 7/16	15 13/16-16¾	—	16⅝-17	17 1/16	17¼	14⅞	14 13/16	16	16¼
Three months	16 1/16-15 13/16	16-16 3/16	16-16⅝	16-16⅝	16⅝	16¾-16⅞	14⅛-14⅝	14 11/16-14⅝	15⅝-15 15/16	16
Six months	15 11/16-14 13/16	15 1/16-15 5/16	15-15⅛	15-15⅝	15⅝	16	—	—	14	14⅞
Nine months	14½-14⅜	14⅝-14¾	—	14⅝-15	14⅞	15¼	—	—	—	—
One Year	14 1/16-13 15/16	14-14⅛	14	14⅛-14½	14⅝	15	—	—	—	—
Two years	—	—	13¾	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 13¾ per cent; four years 13⅝ per cent; five years 13⅞ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15-15 3/16 per cent; four-months trade bills 15½ per cent.

Approximate selling rate for one-month Treasury bills 14 25/32-14 23/32 per cent; two-months 14 23/32-14 21/32 per cent; three-months 14 7/32-14 5/32 per cent. Approximate selling rates for one-month bank bills 16 1/16-16⅛ per cent; two months 15⅞ per cent; three-months 15 3/16 per cent; one-month trade bills 16⅝ per cent; two-months 16¼ per cent and three-months 15⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from October 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.2720 per cent.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on October 20, 1980. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rates; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

Place and Local Unit		Value of £ Sterling
Afghanistan	Afghani	105.0
Albania	Lek	10.15
Algeria	Dinar	9.2745
Andorra	French Franc	10.435
	Spanish Peseta	181.90
Angola	Kwanza	70.3505
Antigua (S)	E. Caribbean $	6.54
Argentina	Ar. Peso Free Rate	4,699.0
Australia (S)	Australian $	2.0620
Austria	Schilling	31.955
Azores	Portug. Escudo	123.25
Bahamas (S)	Ba. Dollar	2.4300
Bahrain (S)	Dinar	0.910
Balearic Isles	Spa. Peseta	181.90
Bangladesh (S)	Taka	38.20
Barbados (S)	Babados $††	4.8600
Belgium	B. Franc	(cm) 72.25
		(fn) 72.45
Belize	B $	4.8600
Benin	C.F.A. Franc	521.75
Bermuda (S)	Bda $	2.4300
Bhutan	Indian Rupee	18.5443
Bolivia	Bolivian Peso	60.5
Botswana (S)	Pula	1.8675
Brazil	Cruzeiro ‡‡	141.27
Brit. Virgin Isles (S)	U.S. $	2.4300
Brunei (S)	Brunei $	5.0475
Bulgaria	Lev	2.0592
Burma	Kyat	16.2795
Burundi	Burundi Franc	215.42
Cameroon Republic	C.F.A. Franc	521.75
Canada	Canadian $	2.8355
Canary Islands	Spanish Peseta	181.90
Cape Verde Isle	Cape V. Escudo	88.70
Cayman Islands (S)	Cay. Is. $	2.025
Cent. Af. Repub.	C.F.A. Franc	521.75
Chad	C.F.A. Franc	521.75
Chile	C. Peso	(Bk) 94.38
China	Renminbi Yuan	3.5546
Colombia	C. Peso	(F) 119.01
Comoro Islands	C.F.A. Franc	521.75
Congo (Brazzaville)	C.F.A. Franc	521.75
Costa Rica	Colon	20.898
Cuba	Cuban Peso	1.6830
Cyprus (S)	Cyprus £	0.842
Czechoslovakia	Koruna	(com) 12.65
		n/c 22.03
		(T) 21.61
Denmark	Danish Krone	13.875
Djibouti	Fr.	415 (sg)
Dominica (S)	E. Caribbean $	6.54
Dominican Repub.	Dominican Peso	2.4300
Ecuador	Sucre	(O) 60.6815
		(F) 66.79
Egypt	Egyptian £	(U) 1.68
Equatorial Guinea	Ekuele	181.90
Ethiopia	Ethiopian Birr	(P) 4.9550
Falkland Islands (S)	Falkland Is. £	1.0
Faroe Islands	Danish Krone	13.875
Fiji Islands	Fiji $	1.9190
Finland	Markka	8.935
France	French Franc	10.435
French C'tyin Af*	C.F.A. Franc	521.75
French Guiana	Local Franc	10.435
French Pacific Is.	C.F.P. Franc	177 (sg)
Gabon	C.F.A. Franc	521.75
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	4.5325
Germany (West)	Deutsche Mark	4.5325
Ghana (S)	Cedi	6.62
Gibraltar (K)	Gibraltar £	1.0
Greece	Drachma	105.263

Place and Local Unit		Value of £ Sterling
Greenland	Danish Kroner	13.875
Grenada (S)	E. Caribbean $	6.54
Guadaloupe	Local Franc	10.435
Guam	U.S. $	2.4300
Guatemala	Quetzal	2.4300
Guinea Republic	Syli	45.50
Guinea Bissau	Peso	81.12
Guyana (S)	Guyanese $	6.2115
Haiti	Gourd	12.15
Honduras Repub.	Lempira	4.8642
Hong Kong (S)	H.K. $	12.17
Hungary	Forint	(com) 77.3497
		(T)(nc) 55.5274
Iceland (S)	I. Krona	1,311.65
India (S)	Ind. Rupee	18.57
Indonesia	Rupiah	1,512.5
Iran	Rial	n/a
Iraq	Iraq Dinar	0.71185
Irish Republic (K)	Irish £	1.1975
Israel	Shekel	14.75
Italy	Lira	2,137.5
Ivory Coast	C.F.A. Franc	521.75
Jamaica (S)	Jamaica Dollar	4.3340
Japan	Yen	507.0
Jordan (S)	Jordan Dinar	0.705(sg)
Kampuchea	Riel	2,916.0
Kenya (S)	Kenya Shilling	17.57
Kiribati	Australian $	2.0620
Korea (Nth)	Won	2.05(ll)
Korea (Sth)	Won	1,520.0
Kuwait	Kuwait Dinar	0.644
Laos	New Kip	24.2
Lebanon	Lebanese £	8.4205
Lesotho	Loti	1.8250
Liberia	Liberian $	2.4300
Libya	Libyan Dinar	0.7195
Liechtenstein	Swiss Franc	4.0275
Luxembourg	Lux Franc	72.25
Macao	Pataca	12.8380
Madeira	Portug'se Escudo	123.25
Malagasy Republic	MG Franc	521.75
Malawi (S)	Kwacha	1.94
Malaysia (S)	Ringgit	5.1475
Maldive Islands (S)	Mal Rupee	9.5105
Mali Republic	Mali Franc	1,043.5
Malta (S)	Maltese £	0.828
Martinique	Local Franc	10.435
Mauritania	Ouguiya ‡	102.33
Mauritius (S)	M. Rupee	18.4355
Mexico	Mexican Peso	55.8175
Miquelon	C.F.A. Franc	521.75
Monaco	French Franc	10.435
Mongolia	Tugrik	(o) 6.87(ll)
Montserrat	E. Caribbean $	6.54
Morocco	Dirham	9.52(sg)
Mozambique	Metical	71.25
Nauru	Australian Dollar	2.0620
Nepal	Nepalese Rupee	29.05
Netherlands	Guilder	4.905
Netherland Antilles	Antillian Guilder	4.3495
New Hebrides	See VANUATU	
New Zealand (S)	N. Z. Dollar	2.4680
Nicaragua	Cordoba	24.20
Niger Republic	C. F. A. Franc	521.75
Nigeria (S)	Naira	1.270648 (sg)
Norway	Norway Krone	11.935
Oman Sultate of (S)	Rial Omani	0.833
Pakistan	Pakistan Rupee	23.71
Panama	Balboa	2.4300
Papua N.Guinea (S)	Kina	1.5695
Paraquay	Guarani	304.92

Place and Local Unit		Value of £ Sterling
Peru	Sol	exc (A) 738.10
Philippines	Philippine Peso	17.80
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	2.4680
Poland	Zloty	(Cm) 72.66
		(T) 72.66
Portugal	Portugu'se Escudo	123.25
Puerto Rico	U.S. $	2.4300
Qatar (S)	Qatar Ryal	8.75
Reunion Ile de la	French Franc	10.435
Romania	Leu	(Cm) 10.48
		(n/c) 728.13
Rwanda	Rwanda Franc	221.66
St. Christopher (S)	E. Caribbean $	6.54
St. Helena	St. Helena £	1.0
S. Lucia	E. Caribbean $	6.54
St. Pierre	Local Franc	10.435
S. Vincent (S)	E. Caribbean $	6.54
Salvador El	Colon	6.0590
Samoa American	U.S. $	2.4300
San Marino	Italian Lira	2,137.5
Sao T'oe&Principe	Dobra	85.45
Saudi Arabia	Ryal	8.00
Senegal	C.F.A. Franc	521.75
Seychelles	S. Rupee	15.10(SG)
Sierra Leone (S)	Leone	2.8067
Singapore (S)	Singapore $	5.0475
Solomon Islands (S)	Solomon Is. $	1.9425
Somali Republic	Somali Shilling	(A) 14.58
South Africa (S)	Rand	1.8230
South West African Territories (S)	S. A. Rand	1.8230
Spain	Peseta	181.90
Spanish ports in North Africa	Peseta	181.90
Sri Lanka (S)	S. L. Rupee	41.23
Sudan Republic	Sudan £ (1)	1.95
Sudan Republic	Sudan £ (2)	1.21
Surinam	S. Guilder	4.3495
Swaziland (S)	Lilangeni	1.8230
Sweden	S. Krona	10.21
Switzerland	Swiss Franc	4.0275
Syria	Syria £	(A) 9.50
Taiwan	New Taiwan $	87.50
Tanzania (S)	Tan. Shilling	19.6
Thailand	Baht	49.22
Togo Republic	C.F.A. Franc	521.75
Tonga Islands (S)	Ha'anga	2.0620
Trinidad (S)	Trinidad & Tob. $	5.8320
Tunisia	Tunisian Dinar	0.955(SG)
Turkey	Turkish Lira	198.36
Turks & Caicos	U.S. $	2.4300
Tuvalu	Australian $	2.0620
Uganda (S)	Uganda Shilling	17.57
United States	U.S. Dollar	2.4300
Uruguay	Uruguay Peso	(cm) 25.12
		(fn) 23.14
Utd. Arab Emirates	U.A.E. Dirham	8.89
U.S.S.R.	Rouble	1.5457
Upper Volta	C.F.A Franc	521.75
Vanuatu	Franc	157(SG)
	Aust. Dollar	2.0620
Vatican	Italian Lire	2,137.5
Venezuela	Bolivar	10.3854
Vietnam	Dong	(o) 5.2755
		(T) 6.0513 (t)
Virgin Islands U.S.	U.S. Dollar	2.4300
Western Samoa	S. Samoan Tala	2.1285
Yemen (Nth)	Ryal	11.91(SG)
Yemen (Sth)	S. Yemen Dinar	(A) 0.8265
Yugoslavia	New Y Dinar	67.1580
Zaire Republic	Zaire	68.6241
Zambia	Kwacha	1.8950
Zimbabwe	Zimbabwe $	1.5110

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 102.06. **Rate is the transfer market (controlled). ††Rate is now based on 2 Barbados $ to the dollar. ‡‡Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and who are not members of IMF. (ll) Based on gross rates against Russian rouble. (1) Official rates for government transactions and specified exports and imports. (2) Parallel rate for non-government transactions and non-specified exports and imports.

WORLD STOCK MARKETS

Easier early Wall St. tone

WORRIES ABOUT the outlook for interest rates left Wall Street easier-inclined at mid-session yesterday after a fairly large turnover.

The Dow Jones Industrial Average slipped 3.15 to 952.99 at 1 p.m., while the NYSE All Common Index was off 6 cents at $75.86 and declines outscored gains by a four-to-three ratio. Trading volume contracted to 27.70m shares from last Friday's 1 p.m. level of 34.29m.

The sharp rise in the basic money supply, reported late on Friday, raised new concern of possible further credit tightening by the Federal Reserve. However, Chase Manhattan chairman David Rockefeller forecast that the Prime Rate would decline by the year end from the current 14 per cent, while Bankers Trust chairman Alfred Brittain predicted that rates would go down over the next six months.

Active Dow Chemical, which reported lower third-quarter net profits last week, lost ⅝ to $32¼. Du Pont announced sharply lower September-quarter net earnings and fell 1½ to $42⅝. Union Carbide, up ⅛ at $46⅛, said third-quarter earnings rose slightly but predicted flat earnings for the year.

E-Systems dropped 4⅛ to $44⅛ on sharply reduced third-quarter results.

Newhall Land and Farming, which gained 4½ on Friday, climbed another 3¼ yesterday morning to $37½ before trading was halted due to an imbalance of orders. Newhall holds a 30 per cent stake in a California oil well drilled by Occidental Petroleum, unchanged at $31⅛.

THE AMERICAN SE Market Value Index gained 1.78 to 359.43 at 1 pm. Volume 3.54m.

Canada

Markets displayed a bias to lower levels in active early dealings. The Toronto Composite index lost 4.1 to 2,348.1 at noon, while Golds receded 86.8 to 5,767.6, but Oil and Gas put on 22.0 to 4,983.8.

Australia

All sectors forged ahead in heavy dealings yesterday as a flood of buying orders greeted the return to power of the Malcolm Fraser-led Liberal-Country coalition Party in Saturday's general election.

The Sydney All Ordinaries Index jumped 57.44 to a record 1,025.29 in what brokers said was the market's biggest ever one-day rise. The old record of 997.50 was set on October 3. The Metals and Minerals index rose 606.59 to 7,025.52 and the Industrials index 29.94 to 744.68.

Market leader BHP led the rush with a rise of A$1.34 to a 10-year high of A$16.65 ex-dividend.

One of the faster moving groups in the market was the Uraniums sector, whose future would have been very cloudy had Labor won Saturday's election. Peko-Wallsend climbed A$1.50 to A$12.50, Pancontinental A$1.04 to A$8.80, Queensland Mines A$1.20 to A$9.20 and EZ Industries 70 cents to A$7.20.

Golds moved up strongly despite the sluggish state of world bullion markets, with Consolidate Goldfields gaining 40 cents at A$10.00 and Central Norseman 50 cents at A$12.50.

Elswhere in Mining, MIM moved ahead 66 cents to A$5.96. Western Mining 64 cents to A$6.30, CRA 69 cents to A$7.00 and North BH 40 cents to A$4.30.

Energy stocks of all types enjoyed booming trading conditions as dealers put aside all their previous worries.

Among Oils, Woodside rose 47 cents to A$3.60, Hartogen 40 cents to A$6.20 and Santos A$1.70 to A$15.50, while Shale Oil issue Central Pacific advanced 80 cents to A$8.00. Coals concern Oakbridge put on 28 cents to A$4.00, while CSR, with coal, sugar and oil shale interests, strengthened 50 cents to A$7.60.

News that Western Resources' Mount Horner well in Western Australia had encountered traces of oil pushed the shares up 55 cents to A$2.00.

The newcomers to the Australian resources scene, the tantalum explorers, had strong markets. Greenbushes, which reported a major tantalum find in Western Australia last week, gained A$3.00 to A$13.50. Nicron, which announced plans to buy a tantalum prospect in the Northern Territory, closed 65 cents stronger at A$1.60.

In the Industrials sector, Bond rose 36 cents to A$3.00, Pioneer Concrete 24 cents to A$2.50 and TNT 30 cents to A$3.00.

Tokyo

The market recorded mixed movements after moderate activity. Profit-taking left high-priced Light Electricals and most of the Motor, Shipbuilding, and Heavy Electric Machine issues easier, but helped by scattered fresh foreign buying, Trading Houses, Electric Powers and Steels improved.

The Nikkei-Dow Jones Average edged up 6.07 to a record high of 7,175.33, but falls on the First Market section narrowly led rises by 316 to 297. Volume 350m shares.

Trading Houses, Electric Powers and also Real Estates generally gained ground as an anticipated cut in the Bank of Japan's Official Discount Rate was expected to reduce the interest burden on their borrowings. C. Itoh rose Y12 to Y462, Mitsubishi Y3 to Y783, Tokyo Electric Power Y14 to Y969 and Mitsubishi Real Estate Y4 to Y414.

Kawasaki Steel hardened Y3 to a year's high of Y153, but Toyota Motor retreated Y19 to Y860, Hitachi Y4 to Y346, Ishikawajima Harima Y3 to Y156 and Pioneer Electronic Y50 to Y2,140.

Hong Kong

Profit-taking in the wake of the market's recent upsurge left most leaders closing lower after another very heavy trade. However, the Hang Seng index, after receding more than 16 points in the first hour of the session, finished 9.31 stronger on the day at 1,439.35, a new seven-year peak, mainly reflecting sharp gains by Hong Kong Land and Jardine Matheson. Turnover on the four exchanges amounted to HK$708.73m, against last Friday's HK$743.13m.

HK Land soared HK$1.80 to HK$21.80, climbing throughout the day, while a frantic chase for HK Land scrip saw similar rises in the company's two Warrant issues. Major HK Land shareholder Jardine Matheson rose HK$1 to HK$33.

Also against the downtrend, Cheung Kong put on 75 cents to HK$31.50, but HK Wharf fell HK$4 to HK$109, Hutchison Whampoa 40 cents to HK$15.10, HK Electric 35 cents to HK$7.20 and Wheelock "A" 25 cents to HK$6.80.

Outside the leaders, China Light shed 10 cents to HK$24.40, World International 15 cents to HK$5.60 and Carrian 30 cents to HK$16.20, but Swire Properties advanced 20 cents to HK$11.80. Hang Lung, which had its bid to take over Amoy Canning blocked in the Hong Kong courts, moved ahead 80 cents to HK$20.20.

Germany

The mark's weakness and a weaker Domestic Band market dragged equities down in light trading, the Commerzbank index shedding 5.9 to 726.5.

There were declines extending to 60 pfennigs in Public Authority issues, while the Bundesbank bought DM 40.5m of paper.

Paris

Share prices tended easier in quiet trading. Operations ended early with the Bourse evacuated due to a bomb scare.

Johannesburg

Gold shares generally declined on a weaker Bullion price in fairly active trading.

Closing prices for North America were not available for this edition.

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Boeing	1,544,000	37½	—	Burroughs	416,000	56	−1¼
IBM	557,800	68	− ⅜	Dow Chemical	400,000	32¾	—
Texaco	555,000	38⅝	− ⅜	Zenith	393,700	18½	+1⅛
N.west Airlines	521,000	24¾	− ⅜	Sony	392,500	14⅞	− ⅛
Westinghse. Elc.	480,500	29¾	+1⅞	Xerox	391,300	65⅝	−1⅛

COMMODITIES AND AGRICULTURE

U.S.-China grain deal expected this week

WASHINGTON—The tentative U.S.-China grain agreement providing for the supply of 6m to 9m tonnes of U.S. grain annually for four years, is expected to be signed later this week, said Thomas Saylor, the U.S. official who negotiated the pact.

Mr. Saylor, who just returned to Washington after two weeks of talks with Chinese officials, said he hopes the pact will be signed sometime this week, most likely in Peking, after final approval is given by all Chinese officials.

Mr. Saylor declined to go into detail about the tentative agreement until it is actually signed by the Chinese. But it is believed the proposed pact mix consists of 80 per cent wheat and with the rest maize.

China apparently wants to buy grain becouse of increased consumption by its growing population and a lower harvest this year following a dry winter and low temperatures, agricultural experts said.

China had a record output of 60.5m tonnes of wheat last year but planted a smaller area this year, U.S. officials said.

Soviet meat output criticised

MOSCOW — The results of livestock farming in the biggest of the Soviet Union's 15 republics were described as unsatisfactory in the Soviet media yesterday although other figures showed a jump in overall Soviet meat production in September.

Soviet meat production last month exceeded the equivalent monthly figure for 1979 for the first time since February, according to the weekly Ekonomicheskaya Gazeta.

The journal, however, said that farmers on the whole had not yet managed to overcome the consequences of the difficult winter and the lack of fodder in the spring.

The newspaper Sovietskaya Rossiya described the results of livestock farming in the Russian federation, largest Soviet republic, for the first three-quarters of 1980 as "clearly unsatisfactory."

Both meat and milk production over the nine months were 5 per cent below the levels of last year in the republic.

Serious mistakes in the management of many State and collective farms were blamed as well as the weather and fodder shortage. Reuter

Easier trend in metals

BY JOHN EDWARDS, COMMODITIES EDITOR

DECLINES in gold and silver brought a generally easier tone on the London Metal Exchange yesterday, with the exception of tin which gained ground.

Market sentiment remains somewhat gloomy about the future. Metals Analysis and Outlook in its Autumn issue, just out, sees little prospect of any big rise in most metal prices at least until the second half of next year.

It is claimed that although the U.S. economy has shown some signs of recovery from a very depressed base, the main European economies have moved into a recession and the Japanese economy has slowed significantly. Consequently, it is estimated that Western world industrial production will decline at an annual rate of 5 per cent during the second half of this year.

Metals Analysis predicts lower average prices in 1981 for aluminium, copper and tin, with the possibility of a dramatic increase in aluminium stocks during the next year. Lead and nickel prices are expected to rise marginally, while zinc could increase strongly in response to a growing shortage of concentrates.

Another European zinc producer, Asturienne, confirmed yesterday it was raising its official producer price from $780 to $825 a tonne. Following the decision of the leading West German smelters to go to $825 in line with other producers, this appears established as the new European producer quotation. However, doubts remain whether it can be sustained realistically in view of continued poor demand, especially in West Germany.

Coincidentially there was a big increase in LME warehouse stocks of zinc. They rose by 2,625 tonnes to a hefty total of 64,825 tonnes.

Lead stocks rose by 1,000 tonnes to 79,000 tonnes, aluminium stocks by 1,675 to 43,300 tonnes and LME silver holdings by 180,000 to 27,200,000 ounces. Copper stocks fell by 425 to 125,500 tonnes, nickel by 60 to 4,722 tonnes and tin by 130 to 3,520 tonnes. A possible squeeze on available supplies was the main influence in raising the cash tin price by £67.5 to £6,932.5 a tonne. The three months quotation gained only £7.5 to £6,972.5.

Reuter reported from Lusaka, that Zambia and Zaire will in the coming week plan a joint strategy to neutralise what a senior Zambia metal marketing executive described as a campaign by consumer nations to try to push down the price of copper and cobalt.

Mr. Laurence Mutakasha, managing director of the Zambian Metal Marketing Corporation was quoted in the State-owned Zambia Daily Mail as saying: "We can no longer accept that we give our natural resources away at ridiculous prices."

He said the forthcoming talks were imperative as "we must face the coming year as major cobalt producers."

Silver deficit may go

BY JOHN WICKS IN ZURICH

A RADICAL change in the world silver market balance, with supplies matching demand after many years of deficit, is forecast by the Zurich bank, Credit Suisse, in its latest monthly bulletin.

Credit Suisse estimates that next year supplies of silver will be only 7m ounces at most below demand, while this year following the price explosion in the first quarter the shortfall in supply, made up by withdrawals for stocks, could be between 5m to 8m ounces.

The report forecasts total 1981 supply as between 448m and 463m ounces, of which some 160m would come from recovered metal and the remainder from mined production.

The rise of silver prices is seen as playing an important part in heralding an increase in mine production, with all five main producer countries planning expanded output.

On the demand side, industrial use of silver is put at 441m-445m oz in 1980 and between 448m and 470m oz next year.

The bank is confident about future industrial demand, assuming an end to the U.S. recession shortly.

Cocoa surplus estimate up

BY OUR COMMODITIES EDITOR

THE International Cocoa Organisation yesterday increased its estimate of surplus cocoa production in the 1979-80 season to 92,000 tonnes compared with its previous figure of 42,000 tonnes.

However this is still well below the 158,000 surplus calculated by London brokers Gill & Duffus, which has already been taken into account by the decline in cocoa market values this year.

Of more interest to the market was the announcement by the Ivory Coast that it was planning to stockpile 100,000 tonnes of 1980-81 cocoa in 1980-81 in hopes of being able to sell at higher prices at a later stage—a gamble that was tried last year and dismally failed.

The move by Ivory Coast comes just before a meeting of the Cocoa Producers Alliance in Lagos when producing countries will work out their strategy for the Geneva Unctad conference starting next Monday which is seeking to negotiate a new International Cocoa Agreement between producers and consumer.

Ivory Coast has angrily denied charges that it will have difficulty in financing a cocoa stockpile. But London traders are still dubious about whether it can be achieved successfully, particularly in view of the improved prospects for West African cocoa crops.

Judging by past experience, it is considered surprising that Ivory Coast should put itself at the risk again of holding off the market, only to be forced to sell at a lower price later.

Although there is very strong political pressure for a new cocoa agreement to be negotiated, the continued surplus of supplies is expected to strengthen consumers' resistance to the producers' demand for a minimum price of above $1 a pound.

UK consumers, who have encouraged the British Government's hard line, last week claimed that any minimum above 90 cents would result in a cocoa "mountain" of supplies building up to even greater levels.

Eurocrats anger milk producers

By Richard Mooney

THE EUROPEAN milk industry is angry over a decision taken by Common Market civil servants which effectively reduces the support price for milk.

At an EEC management committee meeting last Friday it was decided to increase the delay between intervention sales and eventual payment from 40-60 days to 60-90 days. This arbitrary extension of sellers' overdrafts will cost them up to £25 a tonne resulting in a reduction in the effective support price, Mr. Alan Boardman chairman of Adams Foods, which markets Irish dairy products in the UK, said yesterday.

Until a few months ago there was no official payment period on dairy intervention sales and some sellers were getting paid in as little as 21 days, he added.

English Milk Marketing Board officials agreed that the change of rules was indefensible. That was wrong that non-elected officials should not be able to take decisions which affected support prices reached after long and careful negotiations between EEC farm ministers.

The change will hit producer groups in all EEC countries but it will be particularly hard on those in countries with high interest rates, such as Britain.

More EEC sugar available for export

TOTAL EEC sugar available for export in 1980-81 could reach 3.683m tonnes white value (4m tonnes raw), West German sugar statistician F. O. Licht says in its latest international sugar report.

This increase in the EEC export availability is highly welcome during a period of international shortage.

Licht puts total 1980-81 EEC sugar production, including harvests in Greece, which joins the EEC in January 1981, and in French overseas departments, at 12.095m tonnes.

Licht notes that authority has recently been granted for the minimum level of stocks to be reduced.

The net effect of this reduction is likely to be around 260,000 tonnes, so that total EEC exports are forecast at around 3.683m tonnes.

COCONUTS

Indonesia's production campaigns pay off

BY RICHARD COWPER IN JAKARTA

INDONESIA, the world's second largest coconut producer after the Philippines, is now firmly back in the export market after an embarrassing two years of being forced to import both coconut oil and copra to meet domestic requirements.

Coconut production is expected to increase by 70,000 tonnes this year to 1.63m tonnes of copra equivalet and exports are likely to check in at around 160,000 tonnes.

A government campaign to encourage new planting and rehabilitation of ageing trees coupled with a series of financial incentives to smallholders have played an important role in the turnround. The key factor, however, in Indonesia's return to its traditional role as an exporter has been a successful government programme to substitute more cheaply produced local palm oil for the coconut oil normally used in Indonesian cooking.

To the obvious distress of the Indonesian Ministry of Agriculture, coconut oil imports soared to almost 100,000 tonnes in 1978, but as the new domestic substitution policy began to take effect, dropped to 27,000 tonnes last year. This year Indonesia is likely to export around 100,000 tonnes of coconut oil, though a sharp upturn in world prices would undoubtedly increase this even further.

Coconut oil is the main edible oil used in Indonesia and has traditionally accounted for over 90 per cent of the country's vegetable oil requirements, but with the success of the palm oil substitution programme, domestic coconut oil consumption dropped 20 per cent last year, while palm oil consumption rose by 135 per cent to 233,000 tonnes. Agricultural experts expect this trend to continue with increasing amounts of coconut oil finding its way on to the world market over the next five years.

While Indonesia's palm oil production has grown considerably since 1975, coconut production has shown only marginal gains. The main reason for this is that nearly all the coconut trees grown in Indonesia belong to smallholders who for lack of incentives have been unwilling to replace the estimated 25 per cent of the tree population which is now believed to be over 50 years of age.

In an effort to increase production Indonesia has announced a programme to extend low-cost long-term loans to replant some 210,000 hectares of ageing coconut trees and to plant new areas amounting to 100,000 hectares by 1984.

The Indonesian Government is currently negotiating a loan with the World Bank which would provide for the planting and rehabilitation of around 75,000 hectares in Sumatra and Sulawesi.

In an effort to increase the competitiveness of Indonesian copra and coconut oil on the world market, Indonesia has now eliminated minimum export prices and export surtaxes on both products. The result of these efforts are not however likely to show through in large production increases for several years. The official target for 1984 is 1.84m tonnes, but experts say this is somewhat over-optimistic, with 1.75m tonnes a more likely outcome.

New tax incentives to boost Malaysian rubber industry

BY WONG SULONG IN KUALA LUMPUR

FOR THE SECOND successive year, the Malaysian rubber industry is to get substantial tax incentives as announced in the budget last week.

Last year, the industry received $M260m through the restructuring of the export duty. This year, the industry will gain another $M117m through a change in the calculation of export duty based on different grades of rubber, and through higher replanting grants to smallholders.

The incentives are given to revive the industry, whose production has been stagnant at 1.6m tonnes a year for the past three years, and new planting has been slow.

Previously, export duty of rubber is based on RSS 1 grade, and this sometimes leads to sharp distortions in prices between RSS 1 and other grades, to the disadvantage of other grades, which had to be taxed like RSS 1.

To overcome this, the new duty will be based on nine grades—three for RSS, and six for SMR (Standard Malaysian Rubber). The industry will gain $M27m from this change.

The rubber replanting grant for holdings of less than 10 acres will be increased from M$1,200 to M$2,200 per acre. For holdings exceeding 10 acres, the grant would be increased from M$900 to M$1,500 per acre. This would cost the Government an extra M$90m a year.

For 1980, the Malaysian Treasury expects rubber exports to be 1.6m tonnes, at an average price of 300 Malaysian cents per kilo.

For 1981, it expects exports to rise to 1.62m tonnes with an average price of 320 cents per kilo.

For palm oil, exports for this year is projected at 2.08m tonnes at an average price of M$1,125 per tonne, while for 1981, the projection is an export of 2.33m tonnes with the price remained unchanged.

For tin, the Malaysian Treasury forecast exports at 72,000 tonnes for this year, at an average price of M$2,100 per tonne, while for 1981, the forecast is for an export volume of 70,000 tonnes at a lower price of M$2,075 per tonne.

BRITISH COMMODITY PRICES

BASE METALS

COPPER—Declined on the London Metal Exchange in quiet trading. After opening slightly weaker in pre-market trading at £871, forward metal strengthened to £874 before falling back in line with gold to £869 by midday. The afternoon saw the day's low point of £865.5, and that was the close on the late Kerb. Turnover: 15,325 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	838-9	—8.2	835.5-7	—6.7
3 months	869-.5	—6.5	865.5-7	—5.5
Settlem't	839	—8	—	
Cathodes				
Cash	807-9	—9.5	809-10	—5.5
3 months	840-1	—7	839-40	—5
Settlem't	809	—9		
U.S. Prod			*93.5-102	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £838. Three months £870, 71, 72, 71, 70, 69.5, 69. Cathodes, three months £840. Kerb: Wirebars, three months £869, 68, 68.5. Afternoon: Wirebars, three months £871, 72, 68, 67, 66, 67, 67.5, 67, 66.5. Three months £840. Kerb: Wirebars, three months £867, 66, 67, 66.5, 66.

TIN—Lost ground in more active trading. After opening in the pre-market at £6,950, forward metal moved up during the morning to £6,970, falling back to £6,950 by lunchtime, where the Contango narrowed to about £45. The afternoon saw the day's high of £6,980, before forward metal slipped back to a close on the late Kerb of £6,945. Turnover: 845 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6885-90	+5	6930-5	+67.5
3 months	6950-5	—7.5	6970-5	+7.5
Settlem't	6890	+5	—	
Standard				
Cash	6885-90	+5	6930-5	+67.5
3 months	6950-5	—7.5	6970-5	+7.5
Settlem't	6890	+5	—	
Straits E.	$2087	—8	—	
New York				

Morning: Standard cash £6,980, 85, three months £6,950, 60, 50. Kerb: Standard three months £6,960, 65. Afternoon: Standard cash £6,940, 30, three months £6,980. Kerb: Standard three months £6,950.

LEAD—Barely changed after a day of relatively good business. Forward metal moved in the range between £370 and £383 all day, finally closing at £379.5. Turnover: 11,550 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	364-5	+1	365-6	+.5
3 months	379.5-80	+.25	381.5-2	+1.25
S'ment	365	+1	—	
U.S. Spot	—		*42-45	

Morning: Cash £363, 64, three months £379, 79.5. Kerb: Three months £379.5, 79. Afternoon: Cash £364, three months £380, 82, 81, 80, 81, 81.5. Kerb: Three months £381, 80.5, 80, 79.

ZINC—Slightly weaker after an unexciting day's trading. Forward metal traded in a narrow range all day, closing on the late Kerb at £341. Turnover: 8,275 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	329-.5	—1.75	320-2	+9
3 months	342-.5	—1	342-.3	—1.75
S'ment	329-.5	—2.5	—	
Primw'ts	—		*37.5-37.75	—

Morning: Three months £341, 42, 42.5, 42. Kerb: Three months £342. Afternoon: Three months £342, 42.5, 43, 42.5. Kerb: Three months £341.

ALUMINIUM—Declined after a quiet day. The day's high was £703, and the low point was £697, at which forward metal closed on the late Kerb. Turnover: 3,275 tonnes.

Alumin'm	a.m. Official	† + or —	p.m. Unofficial	† + or —
	£	£	£	£
Spot	672-4	—5.5	673-5	—5
3 months	701-2	—1.75	700-1	—4.25

Morning: Three months £701, 2, 3, 2. Afternoon: Three months £702, 1, 700, 700.5. Kerb: Three months £699, 98, 96.

NICKEL—Unchanged after a quiet day's trading. Forward metal remained at the level of £2,815 all day, closing at that price on the late Karb. Turnover: 380 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	† + or —
Spot	2775-85	+2.5	2780-5	—5
3 months	2810-20	+7.5	2810-5	—3.5

Morning: Three months £2,815. Afternoon: Cash £2,780, three months £2,810, 15.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

LME—Turnover 278 (113) lots of 10,000 ozs. Morning: Three months 865, 66, 67, 64, 65, 64. Kerb: Three months 867, 70, 71, 68. Afternoon: Three months 857, 55, 54, 52.5, 52, 51, 50, 40, 39, 40, 42, 41, 40. Kerb: Three months 835, 36, 34, 33, 33.5, 35, 25.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	833.50p	—19.1	808.5p	—44
3 months	866.20p	—16.9	840p	—44
6 months	896.70p	—17.9	—	
12 months	955.30p	—17.4	—	

Silver was fixed 19.15p an ounce lower for spot delivery in the London bullion market yesterday at 833.50p. U.S. equivalents of the fixing levels were: spot $20.15, down 45c; three-month $20.817, down 40.7c; six-month $21.511, down 43.7c; and 12-month $22.865, down 40.9c. The metal opened at 842p-851p ($20.30-20.50) and closed at 804p-813p ($19.5-19.7).

COCOA

Cocoa futures opened £10 higher prompted by weekend news that the Ivory Coast might be prepared to stockpile 100,000 tons of new crop cocoa beans. However, renewed trade selling during the afternoon caused prices to ease again aided by a stronger sterling, and values closed at the lows of the day, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
Dec.	958-959	+6.5	968-957
March	995-997	+4.0	1006-995
May	1016-17	+3.5	1024-16
July	1035-36	+1.0	1037-35
Sept.	1036-55	+1.0	1063-55
Dec.	1077-78	+2.0	1077
March	1097-1105	......	—

Sales: 940 (2,535) lots of 10 tonnes.

ICO Futures—Daily price for Oct. 17: 103.53 (105.39). Indicator prices for Oct. 20: 10-day average 105.44 (105.64); 15-day average 105.22 (105.43).

COFFEE

Robustas registered losses of up to £10 on the opening but steadied marginally in poor volume, reports Drexel Burnham Lambert. The afternoon saw values ease further under light pressure from the trade. This theme carried on throughout the session with a strong sterling finish also aiding the decline.

COFFEE	Yesterday's Close (£ per tonne)	+ or —	Business Done
Nov.	1072-73	—19.5	1084-70
January	1096-97	—19.0	1117-96
March	1063-65	—28.0	1087-65
May	1061-64	—25.0	1082-60
July	1059-72	—15.0	1059-70
Sept.	1075-85	......	—
Nov.	1050-80	—15.0	—

Sales: 2,119 (2,741) lots of 5 tonnes.

ICO indicator prices for Oct. 17 (U.S. cents per pound). Other Mild Arabicas 128.83 (130.0). Robustas ICA 1976 128.00 (130.50). ICA 1968 128.25 (130.75). Unwashed Arabicas 211.00 (211.50). Comp. daily ICA 1968 184.22.

GRAINS

LONDON GRAIN FUTURES—Old crop wheat opened lower, and values fell quickly on heavy commercial and shipper selling. Values closed weak £1.00-£1.15 lower on the day. Barley saw equal selling pressure but values still held slightly firmer than wheat registering losses of 95p-£1.00 on the day, reports Acli.

M'nth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Nov.	95.00	—1.15	91.25	—1.0
Jan.	99.40	—1.05	95.90	—0.95
Mar.	103.30	—1.0	99.60	—0.95
May	107.25	—1.0	103.25	—1.0
July	111.25	—1.35	—	—
Sept.	98.55	—0.05	94.40	......

Business done—Wheat: Nov. 95.85-95.20, Jan. 100.10-99.40, March 103.95-103.30, May 107.95-107.25, July 111.70-111.25, Sept. no trade. Sales: 542 lots of 100 tonnes. Barley: Nov. 92.00-91.25, Jan. 96.60-95.90, March 100.10-99.60, May 103.85-103.25, July no trade, Sept. no trade. Sales: 348 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent Oct. 98, Nov. 101.50, Dec. 105 transhipment east coast. U.S. Hard Winter 13½ per cent Nov. 102.25, Dec., 102.50 transhipment east coast. Maize: French first half Nov. 119, second half 119.50 sellers west coast. Barley: English Feed fob Oct. 95 paid, Nov. 97.50 seller, Dec. 99 seller, Jan./March 102.75 seller east coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 89.40, E. Midlands 89.50, Scotland 86.30. Other milling wheat: Eastern 101.20. The UK Monetary Coefficient for the week beginning Monday October 27 (based on HGCA calculations using four days exchange rates) is expected to change to 0.925.

POTATOES

LONDON POTATO FUTURES—After a quiet opening, values eased back on profit-taking after Friday's gains. Trade and commission house buying moved prices up a little from the lows, and trading remained in a narrow range for the rest of the day, reports Coley and Harper. Closing prices: Nov. 43.80 —120 (high 44.50, low 44.00); Feb. 54.50 —60 (high 54.80, low 54.20); April 64.70 —70 (high 64.80, low 64.30). Turnover: 55 (241) lots of 40 tonnes.

RUBBER

The London physical market opened about unchanged, with little interest throughout the day, closing quiet, Lewis and Peat reported. The Malaysian market was closed for a public holiday.

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Nov	62.10-62.50	62.80-62.90	62.50-62.40
Dec	63.50-63.70	63.90-64.10	—
Jan-Mar	65.75-65.80	66.20-66.30	66.30-65.70
Apr-Jne	69.50-69.70	69.90-70.00	70.20-69.50
Jly-Sept	72.80-72.90	73.20-73.50	73.80-72.90
Oct-Dec	75.80-75.90	76.10-76.20	75.80-75.80
Jan-Mar	78.60-78.80	78.90-79.10	—
Apl-Jne	81.40-81.50	81.80-82.10	—
Jly-Sept	84.20-85.40	84.70-85.00	—

Sales: 132 (441) at 15 tonnes, 25 (2) at 5 tonnes.

Physical closing prices (buyer) were: Spot 61.00p (61.50p); Nov. 63.25p (63.50p); Dec. 64.50p (64.75p).

SOYABEAN MEAL

The London market opened 70p higher in quiet trade, reports T. G. Roddick. Prices rallied on trade buying to £2.50 higher. However, values were short-lived and eased on commission house selling to close with gains of around £1.30.

	Yest'rday Close (£ per tonne)	+ or —	Business Done
October	128.00-34.0	+0.15	—
December	135.70-35.8	+0.85	137.00-35.20
February	141.20-41.3	+0.40	142.50-40.50
April	145.00-45.5	+1.20	144.00-43.00
June	141.80-43.0	+0.85	142.10
August	141.00-42.5	+1.0	—
October	155.00-55.5	+1.1	—

Sales: 220 (175) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £395.00 (£405.00) a tonne cif for Oct.-Nov.-Dec. shipments. White sugar daily price was £394.00 (£403.00).

The market opened steady around pre-weekend levels with buyers/sellers well matched. Later, however, a leading U.S. trade house issued a forecast of a 6m ton deficit for 1981 and prices immediately gained some £8 as short-covering exposed a lack of selling interest. However, at the higher levels the buying interest dried up so that quotations eased and by the close all the gains had been wiped out, reports C. Czarnikow.

No. 4 Contract	Yest'rdays Close (£ per tonne)	Previous Close	Business Done
Jan	425.50-27.00	425.00-26.75	434.00-27.50
Mch	455.50-55.75	455.25-55.45	442.00-51.00
May	427.00-27.25	428.50-29.00	455.00-26.00
Aug	399.25-39.75	402.00-04.00	408.00-39.00
Oct	366.50-66.00	371.00-71.50	376.75-65.25
Jan	352.75-37.00	358.00-59.00	362.00-55.00
March	318.00-28.00	325.00-27.00	332.00-25.00

Sales: 10,293 (13,941) lots of 50 tonnes.

NUMBER 2 CONTRACT—Close (in order buyer, seller, business, sales). Oct. 380.00, 395.00, 401.00-395.00, 4. Sales 4 (23).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.5 (same) a tonne for home trade and £501.50 (£509.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for Oct. 17. Daily price 41.98 (40.18); 15-day average 40.04 (39.73).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 891 tonnes, the largest daily sales figure since January. Attention was centred on a number of different growths with North and South American and African qualities predominating.

JUTE

Jute—Oct./Nov. c and f Dundee: BWC £225, BWD £185, BTB £258, BTC £225, BTD £188. Antwerp Oct./Nov.: BWC $523, BWD $439, BTD $595, BTC $525, BTD $442. Jute goods c and f Dundee: Oct. 40 ins 10 oz £10.95, 40 ins 7½ oz £8.60. B Twills £31.73.

PRICE CHANGES

In tonnes unless otherwise stated.

	Oct. 20 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1655/1665	—30	$1650/16
Copper			
Cash w'bar	£836.25	—6.75	£898.75
3 mths	£866.75	—5.5	£927.25
Cash Cathode	£809.5	—4.5	£874
3 mths	£839.5	—5	£902.5
Gold troy oz	$651.5	—15	$711.5
Lead Cash	£365.5	+0.5	£386
3 mnths	£381.75	+1.25	£403.25
Nickel	£3,168	......	£3,205.8
Freemkt (cif lb)	290/315c	......	290/315c
Platin'mt'y oz	£202	......	£202
Free mkt	£276.4	—7	£300.85
Quicksilver†	$410/420	......	$410/420
Silver troy oz	833.50p	—19.15	956.70p
3 mths	866.20p	—16.9	992.70p
Tin Cash	£6,932.5	+67.5	£7,280
3 mths	£6,972.5	+7.5	£7,587.5
Tungsten 22.04lb	$148.21	+1.78	$145.76
Wolfrm 22.04 lbs	$147/150	—0.50	$151/154
Zinc cash	£331	—1	£351
3 months	£342.5	—1.75	£361.5
Producers	$823	......	$780
Oils			
Coconut (Phil.)	$560w	......	$600
Groundnut	‡	......	‡
Linseed Crude	£388	......	£390
Palm Malayan	$515x	+10	$525
Seeds			
Copra Philip	$360w	......	$395
Soyabean (U.S.)	$348z	+2	$350
Grains			
Barley Futures	£95.90	—0.85	£93.15
Maize			
French No3AM	‡	......	£122
Wheat			
No. 1 Red Spg	‡		
No2HardWint	£102.25z	+0.75	£98.75
Eng. Milling†	‡		
Other commodities			
Cocoa ship't	£1,039	+11	£1,106
Future Mar.	£996.5	+4	£1,048.5
Coffee F't Jan.	£1,096.5	—19	£1,061.5
Cotton A Index	88.10c	......	90.90c
Rubber (kilo)	61.0p	—0.5	62.50p
Sugar (Raw)	£395	—10	£364
Woolt'ps 64s kl	284p kilo	......	291p kilo

‡ Unquoted. y Dec.-Jan. x Dec. r Nov.-Dec. v Nov. w Oct.-Nov. z Indicator. § Buyer. † Per 76-lb flask. * Nominal.

TEA AUCTION

LONDON TEA AUCTION—49,917 packages were offered. Quality and medium grades were in better demand, but some Assams were neglected pending investigation of possible contamination. Average price quotations: Quality 140p per kilo (125); Medium 98p (95p); Plain 54p (54p).

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 60.0 to 64.8; Ulster hindquarters 71.0 to 74.0, forequarters 43.0 to 46.0; Eire hindquarters 69.8 to 72.0, forequarters 43.6 to 45.6. Veal: Dutch hinds and ends 96.0 to 102.0. Lamb: English small 53.8 to 60.0, medium 52.5 to 56.6, heavy 48.0 to 54.0. Imported frozen NZ pl. 54.0 to 55.5, pm 48.0 to 49.0. Pork: English under 100 lbs 44.0 to 50.0, 100-120 lbs 42.0 to 48.0, 120-160 lbs 40.0 to 46.0.

MEAT COMMISSION—Average fatstock prices at representative markets on October 20. GB—Cattle 69.12p per kg lw (—1.33). UK—Sheep 105.61p per kg est dcw (—29.55). GB—Pigs 70.71p per kg lw (+1.57).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Outspan: Valencia Lates 48 5.40, 56 5.75, 72 5.85, 88 4.65, 112 4.70, 138 4.55, 150 4.40; Brazilian: 72/138 4.30-4.50. Lemons—Spania: Trays 25/45 2.50-3.20; Outspan: Boxes 5.50-7.00; Turkish: 15-kg 4.30-4.50. Grapefruit—Honduras: 36/48 5.30-5.80; Cyprus: 36/42/48/54 5.20-5.50; Cuban: 4.30-4.50; Jaffa: 15-kg 36 5.35, 42 5.25, 48 4.90, 60 4.60, 70 4.30; Dominican: 5.00-5.50. Satsumas—Spania: 189 4.50, 168 4.60, 147/154 4.60-4.80, 138/144 4.80-5.00, 126/132 5.20, 95/105/108 5.20-5.30. Apples—French: Starkcrimson large boxes 4.50, Golden Delicious approx. 20-lb. 72 1.80-2.10, 84 1.50-1.80; 40-lb 125/163 3.50-4.00, Granny Smith 20-lb 72 2.15, 84 1.60-1.80; Greek: Starking 150 5.50; Dutch: Cox's Orange Pippins per pound 0.09; Belgian: Golden Delicious 65/70 26-lb 2.20. Pears—French: Per 18-lb Williams 2.60-2.80; Italian: Per pound Williams 0.13-0.17, Beurre Hardy 0.12. Passacrassane 0.13-0.14; Dutch: Comerence 0.11-0.12. Plums—Italian: Boxes Stanleys per pound 0.11-0.12. Grapes—Italian: Regina per pack 1.30-1.50, Italia 2.00-2.30; Spanish: Almeria 1.60-2.20, Black 2.00-2.20; French: Alphonse 15-lb 2.80. Pomegranates—Spanish: 40/60 2.40-2.80. Melons—Spanish: Yellow 10-kg 3.00-4.00, Green 7/11s 2.50-2.80. Tomatoes—Jersey: 1.60-1.80; Dutch: 2.40; Spanish: 1.80-2.80. Onions—Spanish: 4.20; Dutch: Picklers 3.00, 10-kg 1.40.

English Produce: Potatoes—Per bag, new 1.30-1.90. Mushrooms—Per pound 0.70-0.80. Apples—Per pound Bramleys 0.05-0.10, Derby 0.08, Spartans 0.10-0.14, Worcester Pearmain 0.08-0.12, Cox's Orange Pippins 0.10-0.18, Russets 0.10-0.15. Pears—Per pound Conference 0.09-0.12, Comice 0.12-0.15. Plums—Per 12-lb Wyedales 1.50. Cabbages—Per bag 1.40; white cabbages 2.40. Cauliflowers—Per 12 3.60-4.60. Beetroots—Per bag 1.00-1.20. Cucumbers—Trays 10/20 1.60-2.20. Tomatoes—Per 12-lb 1.40-1.80. Lettuce—Per 12 round 1.40, Cos 1.40, Webbs 1.20. Sprouts—Per pound 0.12-0.13. Corn Cobs—Each 0.06-0.08. Carrots—Per 28-lb 1.20-1.40. Onions—Per bag 3.00-3.40, Picklers 3.00. Celery—Per pack 20/30 2.70, naked 12/14 1.20. Capsicums—Per pound 0.20. Swedes—Per 28-lb Devon 1.00. Cob Nuts—Per pound 0.35-0.38.

*

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.50-£6.60, codlings £3.70-£5.00, Large haddock £5.50, medium £5.40, small £2.00-£2.60. Large plaice £5.50, medium £4.00-£4.70, best small £2.80-£4.20. Skinned dogfish (large) £10.00-£11.00, medium £8.00. Lemon soles (large) £11.00, medium £8.00. Rockfish £3.20. Saithe £2.60-£3.00.

AMERICAN MARKETS

NEW YORK, October 20.

PRECIOUS METALS reacted on the downside, to reports of selling from the Middle East. Lacklustre export figures in cotton resulted in long profit-taking pushing prices lower. Cocoa declined moderately, coffee sold off on lack of roaster interest. Copper rallied as some major U.S. producers are still closed down by the strike. A high prospective deficit repeatedly confirmed by private estimates was responsible for steady to higher closes in sugar. A late sell-off in the grains left maize fractionally higher, while soyabeans finished mixed and wheat lowerll TAhe. ewrCopper SHR CMFW lower. The livestock market closed higher on lighter than expected marketing, reported Heinold.

Copper—Oct. 93.55 (92.20), Nov. 93.85 (92.70), Dec. 94.70-95.00, Jan. 95.65, March 97.10-97.35, May 98.70, July 100.35, Sept. 101.90, Dec. 104.20, Jan. 105.00, March 106.65, May 108.30, July 109.95.

Potatoes (round whites)—Nov. 97.5-98.9 (10.25), March 136.8 (141.8), April 158.4. Sales: 2,842.

Sugar—No. 11: Jan. 43.75-43.80 (43.35), March 44.80-45.00 (44.47), May 44.30-44.50, July 42.40-42.50, Sept. 39.50-39.70, Oct. 38.25-38.30, Jan. 35.00, March 34.00. Sales: 11,434.

Tin—772.0-781.0 (774.0-783.0).

CHICAGO, October 20.

Lard—Chicago loose 23.50 (24.00). New York prime steam unavailable.

‡‡Maize—Dec. 359½-360 (359¾), March 371½-371¾ (371½), May 377-377¼, July 375½-375¾, Sept. 363½, Dec. 350½.

Silver—Oct. 196.00 (2,002.5), Nov. 197.60 (2,010.0), Dec. 199.50-2,000.0, Feb. 2,050, April 2,110.0, June 2,156.5, August 2,209.5, Oct. 2,262.5, Dec. 2,315.5, Feb. 2,368.5, April 2,421.5, June 2,474.5, August —, Oct. 2,580.5, Nov. —, April —.

†Soyabeans—Nov. 853-859 (859), Jan. 880½-883 (884), March 905-906, May 925-926, July 932-934½, August 918, Sept. 859-858, Nov. 822.

‖Soyabean Meal—Oct. 255.5-256.0 (254.0), Dec. 262.0-261.3 (261.4), Jan. 265.0-266.0, March 272.5-272.7, May 274.0-274.5, July 274.5-274.0, August 272.0, Sept. 260.0-261.0, Oct. 245.2, Dec. 242.5-243.0.

Soyabean Oil—Oct. 25.07 (24.40), Dec. 25.50-25.60 (25.92), Jan. 25.85-25.92, March 26.55-26.60, May 27.10-27.20, July 27.80, August 27.70-27.75, Sept. 27.50, Oct. 26.05-26.10, Dec. 26.10.

†Wheat—Dec. 523½-523 (526½), March 542½-543½ (547¼), May 547½-548½, July 532½-533, Sept. 540½, Dec. 554.

All cents per pound ex-warhouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $ Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

WINNIPEG, October 20. Oct. 138.50 (136.90), Dec. 139.40 (138.80), March 143.40, May 144.60, July 143.50.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 280.96 (281.21).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, October 20—Wheat: U.S. Two Dark Hard Winter 13.5 per cent Nov. $225, Dec. $228, Jan. $232, Feb. $235. U.S. No. Two Red Winter Oct. $225, Nov. $222, Dec. $229. U.S. No. Two Northern Spring 14 per cent Oct. $219, Nov. $221.50, Dec. $227, Jan. $243.

Maize—All $158, Oct. $158, Nov. $163.25, Dec. $167.50, Jan.-March $177, April-June $180, July-Sept. $178.75, Oct.-Dec. $177.

Soyabeans—U.S. Two Yellow Gulfports Oct. $335, Nov. $336, Dec. $347.75, Jan. $355, Feb. $363.50, March $367, April $373, May $374, June $375, July $378, Oct. $332.50, Nov. $330.75, Dec. $337 sellers.

Soyameal—44 per cent protein U.S. Oct. $303, Nov. $307, Dec. $313, Nov.-March $317. Brazil Pellets Oct. $313, Nov. $319, Dec. $329, Nov.-Dec. $333.

PARIS, Oct. 20—

Cocoa (FFr per 100 kilos)—Dec. 981/80, March 996/1,010, May 1,025, July 1,055/80, Sept. 1,105/20. Sales at call.

Sugar (FFr per 100 kils)—Dec. 4,200/10, March 4,387/90, May 4,415/25, July 4,290/37, August 4,335/40, Oct. 4,020/60, Nov. unquoted, Dec. 3,920/4,010. Sales at call 7.

INDICES

FINANCIAL TIMES

Oct. 17	Oct. 16	M'nth ago	Year ago
276.65	276.25	279.12	295.65

(Base: July 1, 1952=100).

MOODY'S

Oct. 17	Oct. 16	M'nth ago	Year ago
1324.3	1325.2	1320.5	1154.0

(December 31, 1931=100)

DOW JONES

Dow Jones	Oct. 17	Oct. 16	Month ago	Year ago
Spot	479.50	478.69	463.81	407.75
F'tur's	500.33	498.74	478.67	414.56

(Average 1924-25-26=100)

REUTERS

Oct. 20	Oct. 17	M'nth ago	Year ago
1751.0	1753.3	1769.1	1655.3

(Base September 18, 1931=100)

LONDON STOCK EXCHANGE

Hectic trade in Australians following election result
Investment inertia leaves UK Gilts and equities easier

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct. 13	Oct. 23	Oct. 24	Nov. 3
Oct. 27	Nov. 6	Nov. 7	Nov. 17
Nov. 10	Nov. 20	Nov. 21	Dec. 15

* "New time" dealings may take place from 9 am two business days earlier.

The surprise return of the Liberal-Country Party coalition with a substantial majority in the Australian election led to hectic trading in Australian shares yesterday. London stock markets were otherwise rather featureless, beginning the final leg of the trading Account disappointingly with leading industrials and Gilt-edged securities edging lower.

London dealers took a slightly less euphoric view of the election result than their "down-under" counterparts and opened prices below overnight Australian indications. These tactics were validated by an initial wave of selling forcing values easier. But the offerings were absorbed and the market settled down to a well-balanced trade to close with gains throughout the list. Leading Australian shares vied with the more speculative exploration issues for the largest rises; these extended to 50p and more among heavier-priced stocks.

Investment inertia was the main reason for the easiness in leading UK equities and Gilt-edged market values. A steady to firm opening tone in the former gradually evaporated and, following receipt of last month's retail sales figures which continued the recent downturn, most first-line stocks settled marginally easier. The FT 30-share closed 3.6 down on balance at 477.5 after having shown a gain of 0.4 at 11 am.

A continuing lack of investment funds inhibited business in Government stocks. Sterling's early lower trend yesterday was another depressing influence, but when the pound moved up late the losses in Gilt-edged were slightly reduced. Longer-dated securities were rarely more than ½ down in the late trade with the shorts around ⅛ easier on balance. The new partly-paid medium tap, Exchequer 11¾ per cent 1986, slipped ⅛ to 29⅞, or ½ discount.

The quiet business in equities was reflected in Traded options where 1,031 deals were completed, half of last week's daily average of 2,072.

Sterling Credit fall

Hire Purchase issues had a dull feature in **Sterling Credit** which dropped 5 to 7p on the bigger annual loss, final dividend omission, planned financial arrangement and Board reorganisation. The major clearing banks were idle; **NatWest**, 4 off at 412p, provided the only movement of note. Elsewhere, **ANZ** put on 12 to 227p, while **Bank of New South Wales** and **National Bank of Australia** added 7 apiece to 160p and 127p respectively reflecting satisfaction with the outcome of the Australian General Election.

Both Composite and Life Insurances held quietly firm. Among the former, **Royals** hardened 3 to 438p and **Sun Alliance** 6 to 760p.

The higher dividend and profits from **Highland Distilleries** were deemed disappointing and the close was 3 easier at 109p. Other Wines and Spirits trended to lower levels in sympathy. **Arthur Bell**, annual results Wednesday week, shed a couple of pence to 168p, while **Tomatin** gave up 3 to 121p. **Macallan-Glenlivet**, 490p, and **Macdonald Martin A**, 430p, fell 10 and 20 respectively.

Business in Buildings was slack and price movements rarely exceeded a few pence in either direction. **London Brick** shed a penny to 73p and **UBM** ½ to 66p awaiting the respective interim results due today. Trading statements were responsible for a couple of firm spots in secondary issues. **Bryant** adding 4 to 85p on the better-than-expected annual results and proposed 100 per cent scrip issue, and **Feb International A** improving 2 to 42p on the increased interim profits. Among Timbers, **Montague L. Meyer**, the subject of considerable speculative activity recently, eased 2 to 92p following a call for a probe into recent dealings in the shares.

Business in leading Chemicals was at a low ebb on worries about falling output. **ICI** drifted off and closed 6 cheaper at 320p while **Allied Colloids** shed 6 to 103p. **Catalin** dropped 5 to 45p on the third-quarter loss.

Stylo good

Leading Stores opened the second leg of the Account on a firmer note but business was slow to develop and, following the disappointing provisional retail sales figures, most issues closed with modest losses. **British Home**, interim results Wednesday, shed 3 to 148p, while falls of 2 were marked against **House of Fraser**, 138p, and **Gussies A** which ended at 444p, after having touched 450p earlier in the session. **Mothercare** held steady at 226; the interim results are expected today, while Press comment aided **Burton**, a penny better at 92p, after 93p. Secondary counters were rarely altered, although *John Michael*, 18p, recovered most of Friday's fall of 8 which reflected the annual deficit. In Shoes, **Stylo**, dull last week on poor interim results, attracted renewed speculative demand and jumped 20 for a two-day gain of 30 at 140p.

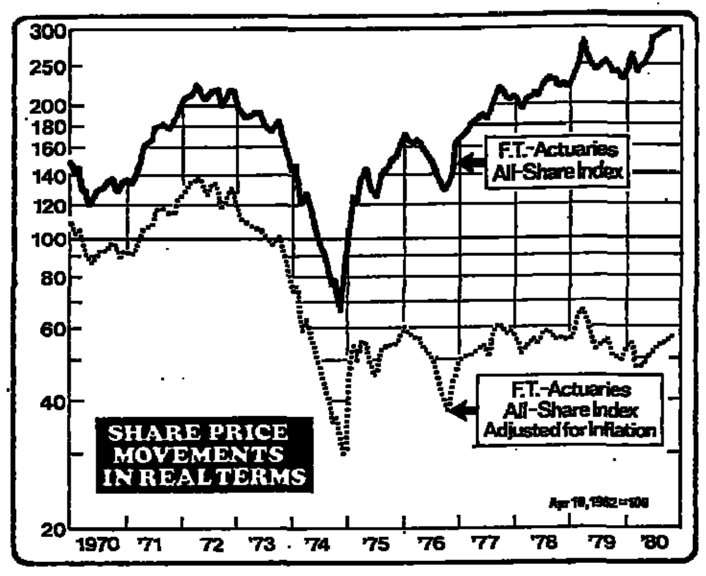
Sporadic offerings and lack of support made for an easier trend in the Electrical leaders. **GEC** drifted off to close 8 cheaper at 527p, while falls of a few pence were marked against **Plessey**, 250p, and **Racal** 322p. Several noteworthy movements were seen in secondary issues. Demand in a market none too well supplied with stock left **Whitworth Electric** up 18 at 100p, but country selling prompted a fall of 12 to 50p in **Electronic Machine**. **Wholesale Fittings** met revived support and improved 20 to a fresh high for the year of 940p. Down to 55p initially, **Laurence Scott** rallied to close only a penny cheaper on balance at 58p following the statement on trading from **Mining Supplies** in connection with the latter's bid for *Laurence Scott*.

Engineers put on a rather uninspiring performance. Nervous offerings ahead of tomorrow's announcement of the half-yearly results left **Hawker** down 8 at 220p. **GKN** eased 5 to 177p on revived offerings, while **Tubes** eased 2 to 218p and **John Brown** a penny to 73½p. Outside of the leaders, adverse Press mention ahead of the interim figures, due tomorrow, prompted a reaction of 3 to 22p in **Duport**.

Foods closed lower in places. Among the leaders, **Tate and Lyle** and **Rowntree Mackintosh** shed 2 to 156p and 166p respectively. Supermarkets had **J. Sainsbury** *5 cheaper at 530p and* **Tesco** a fraction off at 54½p. Elsewhere, **Associated Fisheries** met profit-taking and lost 4 to 64p, while **Albert Fisher**, a good market of late on Press comment, eased 1½ to 15p.

Giltspur Feature

Giltspur advanced to 115p on news of the bid approach from an unnamed suitor before reacting to close 20 higher on the day at 105p. Elsewhere in miscellaneous industrials **Renwick** closed 9p higher at 59p, after 62p, on the bid valued at around 65p from **AAH** which closed 2 firmer at 182p. Better-than-expected half-yearly results prompted a rise of 7 to 117p in **J. W. Spear**, but **Brook Street Bureau** eased 2 to 42p on the lower interim profits with **Reed Executive** closing similarly lower at 47½p in sympathy. Speculative demand left **Kelsey Industries** 10 to the good at 145p, while **United Carriers** continued to respond to recent Press mention with a fresh rise of 6 to 226p. Renewed demand lifted **J. H. Fenner** 4 *further to 148p, but* **Tebitt Group** lost 2 to 31p following the half-yearly figures. Among the leaders, investment demand prompted firmness in **Bowater**, up 9 at 172p, but little else worthy of note emerged. Reflecting the Australian election result, **Broken Hill Proprietary** rose 50 to a new peak for the year of 815p.



Down 11 on Friday on the Monopolies Commission reference and resultant lapsing of Grand Metropolitan's bid for the company, **Coral Leisure** shed 3 more to 78p. **Grand Met** also closed 3 off, at 154p. **Associated Leisure**, speculatively supported on Friday, added a penny more to 108p, but **Ladbroke** eased 2 to 227p. Among other Leisure issues, **Saga Holidays** added 3 to 186p ahead of Thursday's preliminary results, while **Norton and Wright** improved 5 to 73p, the latter in a thin market.

Lucas continued to be an unsettled market ahead of annual results due on November 10 and fell 4 to a 1980 low of 177p. Other Motor Components passed a quiet session and held the pre-weekend levels. Distributors were mixed; **Henlys** added 2 more to 93p, while Press comment helped **Caffyns**, 170p, and **British Car Auction**, 74p, up 2 and 1½ respectively. **Appleyard** on the other hand, dipped 3 to 39p.

Link House, a rising market of late, shed 4 to 217p after profit-taking, while **Portsmouth and Sunderland**, interim results next Thursday, eased a penny to 77p. Elsewhere, **Mills and Allen** added 3 more to 336p, but support was lacking for **John Waddington**, 4 cheaper at 124p.

Properties passed an extremely quiet session. The leaders trended easier, **Land Securities** and **MEPC** losing a couple of pence apiece at 388p and 238p respectively. **Peachey** shed a penny to 167p awaiting today's preliminary results. Elsewhere, **Hong Kong Land** put on 12 to 180p on Far Eastern influences.

Oil Leaders Quiet

Leading Oils passed one of the quietest sessions for some time. Nevertheless, the trend was firmer, **BP** edging up to close 6 dearer at 444p and **Shell** a few pence harder at 446p. The more speculative issues presented a mixed appearance. Reflecting advance in Australian shares, **Magellan** rose 20 to 370p and **Strata** 10 to 145p. **Shackleton** were in renewed demand and put on 11 to 105p, but **Sovereign** met selling at 438p, down 7, while **Candecca** also encountered offerings and gave up 10 to 264p. **Warrior** lost 30 to 320p.

Far Eastern issues continued to attract buying interest in the Trust sector, **GT Japan** gaining 14 more to 244p and **Jardine Japan** 9 further to 135p. Among Financials, **Hampton Trust** touched 75p before settling at 69p, up 5, while revived demand left **Mercantile House** 11 to the good at 378p.

In Textiles, further consideration of Friday's annual figures left **Lister** 2 better at 38p, but recently firm **Radley Fashion** encountered profit-taking and fell 6 to 32p.

Australians dominate

Australian mining shares scored across-the-board rises yesterday as investors reacted to news of the outcome of the Federal Election. All the leaders recorded strong rises, especially uraniums, particularly weak of late on fears of a Labor victory.

Pancontinental were finally 35 better at 395p, while **Peko-Wallsend** jumped 60 to 600p. Rises of more than 20 were common to **CRA**, 335p, **MIM Holdings**, 284p, and **Western Mining**, 302p.

The weakness of the gold price was ignored as **Gold Mines of Kalgoorlie** jumped 13 to 563p, **North Kalgurli** put on 4 to 110p and **Poseidon** gained 33 to 340p. **Greenbushes Tin** and **Vultan Minerals**, star performers last week, were relatively quiet and closed 63 up at 637p and unchanged at 300p respectively.

Elsewhere, mining markets were very quiet. South African Golds declined steadily throughout the day in line with the metal, which closed $15 lower at $651.5. The Gold Mines index recorded its biggest one-day fall this month with a decline of 16.1 to 484.4.

Among the heavyweights, **Hartebeestfontein** lost £2½ to £41½, **West Driefontein** 1¾ to £43¾ and **President Brand** 1½ to £29½. **Western Holdings**, £45½ and **Kloof**, £20 were both 1½ weaker, while **President Steyn** fell 1½ to £27.

Venterspost led the retreat among the lower-priced issues with a fall of 42 to 930p, while "**Sallies**" gave up 32 to 568p, **Elandsrand** 31 to 558p, **Blyvoor** 28 to 972p and **Free State Saiplaas** 21 to 475p.

Financials were mostly cheaper in sympathy, with "**Amgold**" losing 1½ to £55¾ and **GFSA** ½ lower at £44¼. **Anglovaal** provided an exception, up £1 to £20. In London Financials, **Consolidated Gold Fields** declined 15 to 628p, while **RTZ** gained 6 to 468p because of its Australian interests.

FINANCIAL TIMES STOCK INDICES

	Oct. 20	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13	A year ago
Government Secs	70.52	70.74	70.79	71.48	71.12	70.94	70.85
Fixed Interest	72.26	72.30	72.31	72.36	72.14	71.90	71.85
Industrial Ord.	477.5	481.1	480.4	485.5	477.4	472.4	466.7
Gold Mines	484.4	500.5	508.3	513.7	525.0	539.9	211.3
Ord. Div. Yield	7.71	7.65	7.67	7.60	7.72	7.78	7.19
Earnings. Yld. % (full)	17.43	17.29	17.33	17.18	17.45	17.54	17.84
P/E Ratio (net) (*)	7.00	7.05	7.04	7.10	6.99	6.98	7.11
Total Bargains	30,729	20,051	20,311	21,040	20,417	18,810	17,830
Equity turnover £m.	—	105.65	120.27	147.70	135.02	103.46	95.88
Equity bargains total	—	13,913	16,132	15,762	16,593	15,499	14,027

10 am 480.5. 11 am 481.5. Noon 480.0. 1 pm 480.3. 2 pm 479.5. 3 pm 479 5
Latest Index 01-246 8026.
*Nil = 6.52.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	72.54 (21/7)	63.65 (7/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind.Ord.	508.9 (12/9)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines.	558.9 (22/9)	265.5 (18/3)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 20	Oct. 17
—Daily		
Gilt Edged	122.3	98.8
Industrials	89.6	84.7
Speculative	50.6	49.2
Totals	70.4	64.1
5-day Avrge.		
Gilt Edged	102.6	97.8
Industrials	92.9	94.3
Speculative	51.5	55.3
Totals	70.6	70.8

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (78)

BANKS (2)
First National, Hambros

BUILDINGS (5)
Bryant, Mowlem (J.), Crouch Group, Ward Hldgs. Defd., Feb Int.

ELECTRICALS (3)
Crystalate, Wholesale Fittings, Whitworth Elec

ENGINEERING (4)
Braithwaite, Hall (Matthew), Chemring, Smith Whitworth

INDUSTRIALS (8)
Barget, Giltspur, B.H. Prop., Kelsey Industries, Dover Corp., United Carriers, Gleves Group, Watshams

LEISURE (3)
Assoc. Leisure, Zetters, Lancaster (D. M.)

MOTORS (1)
British Car Auction

PROPERTY (2)
HK Land, Mountview

TEXTILES (3)
Snia Viscosa, Stewart Nairn, Do. Priv.

TRUSTS (35)
Atlantic Assets, Investors Cap., Berry Trust, Jardine Secs., British Assets, Lake View, Brit. Empire Secs, Monks Inv., Colonial Secs., Murray Caledonian, Continental & Ind., Murray Western, Crescent Japan, Northern Secs, Dominion & Genl., Scot. National, Drayton Far Eastern, Scot. Utd. Inv., Edinburgh Am. Tst., Trans. Oceanic, Edinburgh Inv., Tribune Inv., English & Scot. Inv., Trust Union, G.T. Japan, Trustees Corp., Genl. Consolidated, Viking Resources, General Funds, Witan Inv., Glasgow Stckhldrs., Yeoman Inv., Grenfriar Inv., Mercantile House, Inv. in Success

OIL & GAS (6)
BP, Santos, Magellan Pet., Shackleton Pet., Ranger Oil, Sovereign Oil

MINES (6)
M.I.M. Hldgs., Killinghall, Minefields Explrtn., Petaling, York Resources, SPO Minerals

NEW LOWS (26)

BRITISH FUNDS (1)
Exchqr. 11¾pc 1986 (£20 paid)

AMERICANS (1)
Burroughs Corp.

BANKS (1)
Sterling Credit

BEERS (2)
Highland Distilleries, Macallan-Glenlivet

BUILDINGS (2)
Marshalls (Halifax), Phoenix Timber

CHEMICALS (2)
Anchor Chemical, Hoechst

STORES (1)
Goldberg (A.)

ENGINEERING (5)
Cartwright (R.), Neepsend, Clifford (Ch.), Wombwell Foundry, Midland Industries

INDUSTRIALS (5)
Berisfords, Low & Bonar, Brook St. Bureau, Reed Executive, Friedland Doggart

MOTORS (1)
Lucas Inds.

PAPER (1)
Transparent Paper

PROPERTY (1)
Wereldhave

TEXTILES (3)
Bulmer & Lumb, Reliance Knitwear, Montfort

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	3	82	10
Corpns. Dom. and Foreign Bonds	3	21	41
Industrials	173	251	967
Financial and Prop.	127	64	303
Oils	19	21	19
Plantations	4	1	19
Mines	43	58	64
Others	31	60	87
Totals	403	558	1,500

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS
Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Mon., Oct. 20, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri., Oct. 17 Index No.	Thurs., Oct. 16 Index No.	Wed., Oct. 15 Index No.	Tues., Oct. 14 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (171)	284.57	−0.7	15.51	5.81	7.83	286.55	286.87	287.04	284.10	232.79
2	Building Materials (28)	250.69	−0.2	18.97	6.84	6.26	251.28	251.95	252.52	250.73	230.40
3	Contracting, Construction (27)	423.61	+0.2	21.54	5.86	5.48	422.64	422.75	423.08	419.78	366.47
4	Electricals (17)	888.64	−1.0	10.96	3.00	11.22	897.84	891.83	894.51	885.34	590.82
5	Engineering Contractors (11)	356.81	+0.1	17.35	7.24	7.35	356.35	351.56	347.18	344.66	317.00
6	Mechanical Engineering (72)	176.36	−0.8	16.46	7.63	7.40	177.76	178.16	179.15	176.88	156.76
8	Metals and Metal Forming (16)	154.26	−1.2	18.93	10.51	6.57	156.08	156.53	158.10	155.86	156.96
11	CONSUMER GOODS (DURABLE) (48)	238.09	−0.6	13.45	5.29	8.90	239.43	238.16	239.13	238.32	228.54
12	Lt. Electronics, Radio, TV (14)	369.74	−0.6	10.28	3.75	11.83	371.85	368.36	368.87	367.16	325.15
13	Household Goods (13)	88.36	—	25.60	11.13	4.94	88.39	89.29	89.53	89.34	140.30
14	Motors and Distributors (21)	94.62	−0.7	22.83	9.89	5.05	95.24	95.89	97.25	97.33	108.63
21	CONSUMER GOODS (NON DURABLES) (171)	236.25	−0.4	17.34	6.83	6.97	237.28	235.86	236.58	234.57	233.57
22	Breweries (14)	274.14	−0.5	16.52	6.72	7.06	275.61	277.69	278.65	277.02	290.77
23	Wines and Spirits (5)	288.75	−0.7	21.20	7.05	5.58	290.81	292.09	296.82	297.02	324.24
24	Entertainment, Catering (17)	340.53	−1.0	17.08	6.57	7.21	344.08	342.48	344.62	342.48	322.31
25	Food Manufacturers (22)	216.92	−0.3	18.37	7.00	6.42	217.56	216.69	217.22	216.44	211.66
26	Food Retailing (13)	388.49	−0.6	12.05	3.98	9.87	390.75	387.90	391.07	380.74	307.45
32	Newspapers, Publishing (12)	436.91	−0.1	21.84	6.66	6.13	437.44	436.23	433.21	433.23	428.44
33	Packaging and Paper (15)	121.44	+1.9	28.79	10.66	4.05	119.13	120.45	120.43	119.43	128.16
34	Stores (44)	236.80	−0.7	12.82	5.32	10.19	238.49	234.57	234.33	231.92	226.09
35	Textiles (21)	124.72	−0.4	25.12	12.29	4.85	125.25	123.91	122.84	121.29	151.46
36	Tobaccos (3)	218.73	—	26.24	10.64	4.34	218.71	218.28	220.76	219.28	232.43
37	Toys and Games (5)	26.12	+4.1	8.61	10.96	26.86	25.08	25.59	25.79	26.02	62.46
41	OTHER GROUPS (98)	216.78	−0.5	16.10	7.22	7.44	217.94	218.37	218.15	216.88	204.33
42	Chemicals (16)	291.52	−1.0	18.17	8.32	6.43	294.55	294.99	295.10	294.11	284.96
43	Pharmaceutical Products (7)	223.06	+0.1	11.25	6.28	11.00	222.95	224.08	224.46	221.24	224.99
44	Office Equipment (6)	103.92	−1.3	19.66	7.98	5.94	105.25	105.46	105.04	104.75	116.78
45	Shipping (10)	555.11	−0.2	13.24	6.51	9.22	556.10	557.68	562.51	561.41	467.42
46	Miscellaneous (59)	279.86	−0.3	16.58	6.66	7.36	280.69	280.88	279.44	277.98	243.76
49	INDUSTRIAL GROUP (488)	251.29	−0.5	16.27	6.52	7.42	252.66	251.90	252.48	250.46	233.21
51	Oils (12)	936.83	+0.9	25.65	5.61	4.34	928.60	932.24	920.21	898.59	800.25
59	500 SHARE INDEX	305.47	−0.2	18.52	6.30	6.34	306.88	305.67	305.27	301.71	277.95
61	FINANCIAL GROUP (118)	251.66	—	—	5.21	—	251.75	252.43	253.48	251.51	190.00
62	Banks (6)	259.43	−0.4	39.39	6.49	3.04	260.68	261.22	258.72	257.66	221.36
63	Discount Houses (10)	300.60	+0.1	—	5.64	—	300.32	299.05	296.29	298.09	240.93
64	Hire Purchase (5)	228.22	−0.7	10.87	4.42	12.41	229.77	233.16	231.34	230.79	180.85
65	Insurance (Life) (10)	259.25	+0.7	—	5.09	—	257.36	257.89	260.58	258.25	156.24
66	Insurance (Composite) (9)	168.31	+0.5	—	6.75	—	167.50	169.40	172.43	171.73	123.33
67	Insurance Brokers (9)	343.74	—	13.41	6.72	10.22	343.88	345.51	348.29	347.32	265.59
68	Merchant Banks (13)	155.54	+0.2	—	4.89	—	155.29	155.55	154.22	152.24	96.97
69	Property (45)	465.28	−0.4	3.09	2.59	45.10	467.26	464.97	470.21	465.01	361.53
70	Miscellaneous (11)	161.11	−0.1	16.10	5.89	7.85	161.23	162.12	159.15	156.33	120.38
71	Investment Trusts (109)	286.66	+0.4	—	5.11	—	285.49	283.34	280.00	277.45	212.84
81	Mining Finance (3)	268.10	−0.4	13.26	4.89	8.99	269.21	270.92	276.02	268.23	138.47
91	Overseas Traders (20)	459.41	+0.3	10.96	6.44	10.99	458.03	460.34	458.27	457.50	344.26
99	ALL-SHARE INDEX (750)	296.96	−0.1	—	5.99	—	297.33	297.16	297.84	293.77	253.36

FIXED INTEREST PRICE INDICES

	British Government	Mon., Oct. 20	Day's change %	Fri., Oct. 17	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.42	−0.06	106.74	0.26	8.78
2	5-15 years	112.44	−0.20	112.67	—	10.68
3	Over 15 years	117.87	−0.29	118.21	—	11.97
4	Irredeemables	133.61	−0.41	134.15	—	9.02
5	All stocks	112.01	−0.19	112.32	0.09	10.34

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Mon., Oct. 20	Fri., Oct. 17	Year ago (approx.)
1	Low Coupons	5 years	11.67	11.62	10.62
2		15 years	11.66	11.61	11.16
3		25 years	11.66	11.61	11.70
4	Medium Coupons	5 years	13.12	13.09	12.80
5		15 years	13.22	13.18	12.80
6		25 years	12.96	12.91	12.80
7	High Coupons	5 years	13.23	13.16	13.13
8		15 years	13.45	13.41	13.34
9		25 years	13.15	13.11	13.19
10	Irredeemables		11.17	11.12	11.46

		Mon., Oct. 20 Index No.	Mon., Oct. 20 Yield %	Friday Oct. 17	Thur. Oct. 16	Wed. Oct. 15	Tues. Oct. 14	Mon. Oct. 13	Friday Oct. 10	Thurs. Oct. 9	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	54.40	†13.68	54.54	54.02	54.00	53.97	53.86	53.79	53.80	56.84
16	Investment Trust Prefs. (15)	51.05	13.26	51.05	51.31	51.31	51.09	51.09	51.62	51.52	49.69
17	Coml. and Indl. Prefs. (20)	68.09	13.17	68.04	68.06	67.66	67.32	67.28	67.49	67.49	67.50

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Western Mining	$A0.50	11	302	+27	313	177
GEC	25p	9	527	−8	540	326
Premier Cons.	5p	9	96	−2	99	36
Clyde Petroleum	£1	8	745	−5	750	230
ICL	25p	7	153	+3	196	111
BP	25p	6	444	+6	444	320
Ultramar	25p	6	443	+3	460	206
Euro. Ferries	25p	5	162	—	192	98
GKN	£1	5	177	−5	279	170
ICI	£1	5	320	−6	402	318
N. Kalgurli Mines	$A0.30	5	110	+4	119	44½
Sun Alliance	£1	5	760	+6	808	520
Thorn EMI	25p	5	336	−3	380	260
Boots	25p	4	228	−3	256	158
Cons. Gold Fields	25p	4	628	−15	690	385

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct. 20	Oct. 31	Jan. 22	Feb. 2
Nov. 3	Nov. 14	Feb. 5	Feb. 16
Nov. 17	Nov. 28	Feb. 26	Mar. 9

For rate indications see end of Share Information Service

Call options were dealt in BSG, William Press, BP, Premier Oil, Royal Bank of Scotland, British Land, Town and City Properties, Pacific Copper, Coral Leisure, Duple, FNFC, Shackleton, Double Eagle, Ultramar, Celtic Haven and John Baker. Puts were completed in Woodside and Harmony Gold, while doubles were arranged in BP, Cons. Gold Fields and Britannia Arrow.

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p‡	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
§15	F.P.	—	32	26	††Baker (John) Pfd 10p	31	−1	—	—	—	—
¶¶	F.P.	—	310	215	††Brint Invs.	308	+8	—	—	—	—
¶¶	F.P.	—	440	338	BP Restricted Trans.	440	+2	17.5	4.7	5.7	4.1
80	F.P.	—	80	70	††H'sk'th M'rcyc's 50p	72	......	—	—	—	—
67	F.P.	—	145	92	††ORE	132	+7	—	—	—	—
§160	F.P.	—	191	180	††Trust Securities 40p	191	......	‡7.88	2.9	6.0	—

FIXED INTEREST STOCKS

Issue price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
§100p.	F.P.	—	118p	96p	††Baker (J) 7% Cnv. Pref.	118p	+7
¶¶	F.P.	10/10	114p	107p	Foseco Minsep 8½% Cnv Red Cum 2nd Prf	113p	......
¶¶	F.P.	10/10	111	102	Do 10% Conv Uns Ln 1995	111	......
¶	£10	—	15½	14½	Lee Valley Water 9½% Red. Pref. 1987	15½	......
‖	F.P.	31/10	117	106	Queens Moat 10¾% Cons Uns Ln '89-91	108	+1
‖	F.P.	10/11	115	103½	R.T.Z. 9½% Conv. Uns. Ln. '95-2000	108½	+½
‡	F.P.	—	97	95	S. Rhodesia 6% '78-81 Asstd	96	......
‡	F.P.	—	70	64	Do. 4½% '77-82 Asstd	64	−1
‡	F.P.	—	42	32	Do. 3½% '80-85 Asstd	32	−5
‡	F.P.	—	25	20½	Do. 4½% '87-92 Asstd	22	......
‖	Nil	—	7pm	3½pm	TownCentreSecs.9%Cnv.Uns.Ln.'96,2000	7pm	......
‖	F.P.	17/10	36⅜	35¼	Western Deep 12% Uns. Deb. '86-93	36⅛	......
—	—	—	11⅝	10	Do. Options	11⅝	......
‡	F.P.	—	312	280	Zimbabwe settlement annuity Reg	280	−5

"RIGHTS" OFFERS

Issue price p‡	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing prices p‡	+ or −
64	Nil	—	—	18pm	16pm	Argyll Foods	16pm	......
300	F.P.	20/10	5/12	368	342	BTR	368	+2
15	F.P.	—	—	32	27	††Baker (John)	32	+1
100	F.P.	—	—	115	101	Do 7% Cnv Pref	115	+4
115	Nil	—	—	20pm	17pm	Brixton Estate	20pm	......
27	Nil	—	—	7½pm	6pm	Bulgin (A.F.) A	7½pm	+1
650	F.P.	20/10	10/11	800	770	Burnett & Hallamshire	790	......
A$350	Nil	—	—	160pm	130pm	CRA	160pm	+26
157	Nil	—	—	34pm	17½pm	Cape Industries	31pm	−3
500	Nil	31/10	—	£3pm	£2¼pm	Commercial Bk. of Nr. East	£2¾pm	......
R30	Nil	—	31/10	£23½pm	£13½pm	ΔEast Rand Prop. Units	£13⅝pm	−2½
A$2	Nil	—	—	5pm	5pm	ElderSmith Goldbrough M'rt	5pm	......
80	Nil	—	—	43pm	33pm	Huntleigh	43pm	......
240	F.P.	6/10	14/11	365	330	M. L. Hldgs.	340	......
280	F.P.	17/10	7/11	323	302	Mills & Allen	330	−10
260	F.P.	—	—	395	317	††Pict Petroleum	395	......
80	Nil	—	—	5pm	5pm	Pyke (Hldgs)	5pm	......
370	F.P.	17/10	14/11	447	428	Ricardo	447	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p‡ Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. † Dealings under special rule. ‡‡ London Listing. ‡ Resulting from debt settlement scheme. Δ Linked units of 4 ord. and 1 option.

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OFFSHORE & OVERSEAS—contd.

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2, St. Mary Axe, London, EC3. 01-283 3531.
Gartmore Fund Managers (C.I.) Ltd. (a)(h)
41, Broad St., St. Helier, Jersey. 0534-73741
Gilt Fund (Jersey) ... 98.0 103.0 ..... 12.50

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)
Lloyds Int. Growth ... SF584.50 624.50 ..... 0.50
Lloyds Int. Income ... SF290.50 302.00 ..... 6.00

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195, St. Helier, Jersey. 0534 27561.
Sterling Money Fd. ... 10.08 10.09 ..... —
Next dealing Oct. 15.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2. 01-588 4000

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588
See also Stock Exchange Dealings.

American	58.4	62.2	-0.3	2.14
(Accum. Units)	61.9	65.9	-0.3	2.14
American Recovery	61.4	65.1	-0.1	1.66
(Accum. Units)	62.5	66.3	-0.1	1.66
Australasian	124.2	133.5	+10.9	0.60
(Accum. Units)	129.7	139.4	+11.4	0.60
Commodity	132.9	141.5	-0.1	3.12
(Accum. Units)	154.4	164.4	-0.2	3.12
Compound Growth	166.0	180.1	-2.0	3.53
Conversion Growth	116.2	123.7	+0.3	2.79
Conversion Inc.	74.1	78.9	-0.4	9.96
Dividend	132.8	144.1	-0.5	9.28
(Accum. Units)	284.7	308.9	-1.1	9.28
European	66.8	71.1	+0.1	3.44
(Accum. Units)	72.2	76.9	+0.1	3.44
Extra Yield	81.8	88.7	-0.5	10.64
(Accum. Units)	128.0	138.9	-0.8	10.64
Far Eastern	94.5	100.6	+1.5	1.51
(Accum. Units)	107.6	114.6	+1.6	1.51
Fund of Inv. Tsts.	89.1	95.8	-0.1	4.78
(Accum. Units)	117.7	126.5		4.78
General	225.5	242.4	-0.6	5.79
(Accum. Units)	381.9	410.5	-0.7	5.79
High Income	110.3	117.5	-0.6	10.06
(Accum. Units)	212.2	226.0	-1.0	10.06
Japan	145.1	154.5	+0.1	0.68
(Accum. Units)	151.5	161.4	+0.1	0.68
Magnum	377.8	398.6	+1.8	4.33
(Accum. Units)	512.7	540.9	+2.5	4.33
Midland	161.0	173.1	+0.3	10.15
(Accum. Units)	296.7	319.0	+0.5	10.15
Recovery	119.2	127.0	-0.5	6.58
(Accum. Units)	131.3	139.8	-0.6	6.58
Second Gen.	242.0	260.1	+0.3	5.05
(Accum. Units)	396.0	425.7	+0.6	5.05
Smaller Companies	257.5	274.2	+2.0	4.30
[illegible]				

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	61.5	65.4		5.26
Accum. Units	78.2	83.2		5.24

Dealing day Wednesday.
For Sebag see Carr, Sebag Unit Trust Managers.

Security Selection Ltd.
Regis Hse., King William St., EC4. 01-623 4951.

Unvl Gth Tst Acc	37.0	39.4		7.61
Unvl Gth Tst Inc	28.5	30.4		7.61

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund

Standard Units	78.5	83.6	-1.5	1.48
Accum. Units	86.3	92.0	-1.7	—
Withdrawal Units	55.2	58.9	-1.1	—

*Stewart British Capital Fund

Standard	176.9	187.2		6.86
Accum. Units	205.9	217.9		6.86

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Ex. Eq. Oct. 8	£318.40	335.20		4.87
♥The Family Fd.	129.2	137.4	+0.3	5.06

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941.
19, Athol Crescent, Edin. 3. 031-229 8621/2

Commodity	69.7	75.4	-0.2	2.00
Energy	52.4	56.8	+0.1	2.50
Financial	94.1	102.2	-0.9	4.14
Gilt Capital	133.8	141.0	-0.3	3.50
Gilt Income	96.1	100.2	-0.1	11.98
Investment Trust	44.4	48.0	+0.3	4.15
Special Situations	29.0	31.4	-0.2	4.08
[illegible]				

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

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INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price £	+ or −	Int.	Red.
91	82¼	Aust. 5½pc '81-82	90	−¼	6.13	13.41
85¼	72½	Do. 6pc 1981-83	84¾	−¼	7.27	12.95
67¼	53	N.Z. 7¼pc 1988-92	67¼	−¼	11.12	13.15
82½	72	Do. 7½pc '83-86	82½	−¼	9.37	12.51
96¾	88	Sth. Africa 9½pc '79-81	94xd	......	10.06	15.39
160	95	S. Rhod. 2½pc Non-Ass.	96	−1	28.91	30.81
169	133	Do. 6pc '78-81 N.-As.	143	−1	—	29.21

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

High	Low	Stock	Price	+ or −	Div. Gross	C'vr	Y'ld Gr's
22¾	12¼	Hollinger $5	20¾		$2.20	—	4.0
11½	845p	Hudson's Bay II	845xd	......	$1.20	—	5.4
14¼	925p	Hud.B.Oil G. $2½	11½	−1	h57½	—	1.9
21¾	13⅛	Imperial Oil II	15⅝	−⅛	$1.40	—	3.4
14	855p	Inco II	965p	+25	72c	—	2.8
565p	425p	Int. Nat. Gas $1	530p	+30	$1.00	—	7.1
495p	235p	Massey Ferg.II	245p	+10	—	—	—
200p	97p	Place Gas $1	120p	+5	—	—	—
14⅞	10½	Rio Algom	13½	......	$1.50	—	4.2
19¾	14¼	Royal Bk.Can. $2	19¾	......	$2.72	—	5.3
25⅞	15⅞	Seagram Co. C$1	24xd	......	SUS1.10	—	2.1
12	890p	Tor. Dom. Bk. $1	10⅞	......	$1.44	—	5.0
10½	750p	Trans Can. Pipe	800p	+35	$1.16	—	5.5

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NOTES

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

OPTIONS

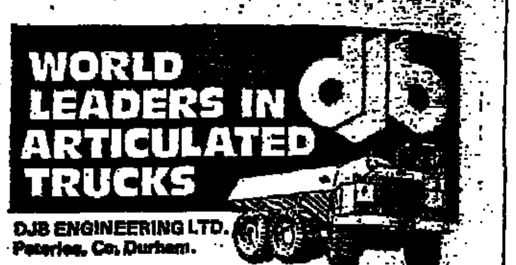
3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

FINANCIAL TIMES

Tuesday October 21 1980



Industry's financial position holds up far better than forecast

Quick response to recession

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE FINANCIAL position of industry has so far this year held up better than widely expected. Companies have quickly responded to the pressures of the recession and the strong pound by reducing the level of their stocks.

Central Statistical Office figures published yesterday show that industrial and commercial companies had a financial deficit of only £36m in the first six months of this year, compared with a £2.1bn deficit in the second half of 1979.

Most of this reduction can be attributed to a rundown in stocks amounting to £1.9bn over the two half years, the first time for four years that net destocking has occurred.

The financial deficit measures the amount which industry has to raise from other sectors of the economy—mainly via bank borrowing—after financing payments of tax and dividends and capital spending on stocks and fixed assets.

City analysts were puzzled last night by the small size of the deficit. In the past, the figure has been heavily revised in later estimates.

Moreover, the deficit undoubtedly understates the extent of the financial pressures on some parts of industry, notably manufacturing. This is partly because the figures include companies involved in North Sea oil development whose financial position has been improving considerably.

However, recent figures showed that industrial profits after excluding North Sea oil and gas had been more robust than widely forecast.

The explanation appears to be that industry has reacted more quickly than in 1974-75. Apart from destocking, especially by wholesalers and retailers, other action has been taken to maintain liquidity, including a sharp reduction in the number of employees.

For example, the undistributed income of industrial and commercial companies (after adjusting for unremitted profits) amounted to £10.4bn in the first half of this year, roughly the same as in the previous six months. A small rise in gross trading profits was nearly offset by increased interest payments, mainly to banks.

An alternative, and less favourable, view is presented by the figures for the net borrowing requirement for industrial and commercial companies. In the first half of this year, this amounted to £4.7bn, compared with £1.8bn in the previous six months.

The difference between the financial deficit and the net borrowing requirement was due almost entirely to a swing in net identified trade and other credit received together with a swing in the same direction of unidentified transactions. These figures were affected by catching-up payments by companies to the Post Office and advance payments to the British National Oil Corporation for future oil sales.

The net borrowing requirement fell sharply between the first and second quarters. The £4.7bn total for the first half was financed mainly by borrowing from banks which increased by a record £4.3bn, compared with £2bn in the previous six months.

INDUSTRY FINANCES
£m, seasonally adjusted

	Net borrowing requirements	Net acquisition of financial assets
1977	1,652	— 465
1978	2,531	351
1979	5,489	—3,367
1st	2,457	—1,121
2nd	1,223	— 117
3rd	825	— 681
4th	984	—1,448
1980 1st	3,782	70
2nd	910	— 106

Net borrowing equals amount of finance borrowed from other sectors of the economy except in form of import and other credit received less acquisition of liquid and other financial assets.
Net acquisition of financial assets is surplus or deficit on income after financing capital spending on stocks and fixed assets.
Source: Central Statistical Office

Energy disadvantage "narrowing," Page 10

Continued from Page 1

Foot

to contest the leadership once the new electoral colleg comes into being. Mr. Benn would have a much better chance of success under a wider franchise.

The betting, at what is still an early stage in the campaign, remains with Mr. Healey, but his chances are appreciaiy less clear than they were.

Mr. Foot's decision may have increased the likelihood of a twin Labour Party leadership. If Mr. Healey wins by only a narrow margin in the Parliamentary party, Mr. Foot could come under immense pressure to stand under the wider franchise.

If he agreed to enter a contest to be decided by the new electoral college to be framed at a special party conference on January 24, Mr. Foot would almost certainly win comfortably. This would make him leader of the party in the country, with Mr. Healey still staking his claim to leadership at Westminster.

Mr. Foot's candidacy rocked the Peter Shore camp.

Weather

UK TODAY

RATHER cloudy, but sunny intervals inland.

London, S.E. E., N.W., C.N., England, E. Anglia, Midlands, Chanel Islands, Borders
Mainly dry, sunny intervals developing after clearance of morning fog patches. Max. 14C (57F).

S.W. England, Wales, Lake District, Isle of Man, S.W. Scotland, C. Highlands
Rather cloudy, perhaps occasional drizzle in places, sunny intervals developing inland but rain later. Max. 14C (57F).

Channel Islands, Borders London, S.E., E., N.W., C.N. N.W., N.E. Scotland, Orkney, Shetland
Rather cloudy, outbreaks of rain, heavy at times. Max. 10C (50F).

ULSTER
Sunny intervals, cloud thickening with rain later. Max. 12C (54F).

Outlook: Rain at times, with near normal temperatures.

WORLDWIDE

		Y'day midday °C	°F			midday Y'day °C	°F
Ajaccio	S	19	66	L.Plms.	S	23	73
Alxndria	S	30	86	Lisbon	S	18	64
Algiers	S	20	68	Locarno	S	13	55
Amsdm.	C	10	50	London	C	11	52
Athens	F	22	72	Luxmbg.	C	8	46
Bahrain	S	33	91	Luxor	S	37	99
Barclna.	S	18	64	Madrid	S	16	61
Beirut	S	27	81	Majorca	S	19	66
Belfast	R	9	48	Malaga	S	19	66
Bolgrd.	C	9	48	Malta	F	19	66
Berlin	F	9	48	M'chstr.	C	8	46
Biarritz	S	14	57	Melbne.	F	20	68
Bmghm.	C	10	50	Milan	S	15	59
Blackpl.	R	7	45	Mntreal.	C	5	41
Bordx.	S	14	57	Moscow	S	13	55
Boulgn.	C	10	50	Munich	C	6	43
Bristol	C	12	54	Nairobi	F	27	81
Brussels	F	9	48	Naples	S	18	64
Budpst.	F	13	55	Nwcstl.	C	5	41
Cairo	S	30	86	N. York	F	10	50
Cardiff	C	12	54	Nice	S	19	66
Cas'b'ca	S	22	72	Nicosia	S	29	84
Cape T.	S	24	75	Oporto	S	18	64
Cologne	C	9	48	Oslo	S	8	46
Cpnhgn.	F	8	46	Paris	C	13	55
Corfu	C	17	63	Perth	C	20	68
Dublin	C	13	55	Prague	C	7	45
Dbrvnk.	C	19	66	Reykjvk.	S	0	32
Ednbgh.	C	5	41	Rhodes	C	33	91
Faro	F	18	64	Riyadh	S	36	97
Florence	F	18	64	Rome	S	20	68
Frankft.	F	9	48	Salzbrg.	C	9	48
Funchal	C	22	72	Seoul	S	21	70
Geneva	S	9	48	Stckhm.	F	7	45
Gibraltar	C	19	66	Strsbg.	R	7	45
Glasgow	R	8	41	Sydney	C	21	70
G'rnsey	C	13	55	Tangier	S	23	73
Helsinki	F	9	48	Tel Aviv	S	26	79
H. Kong	C	27	81	Tenerife	S	19	66
Innsbrk.	F	9	48	Tokyo	R	18	64
Invrnss.	C	4	39	Tunis	F	19	66
I.o.Man	R	10	50	Valencia	S	19	66
Istanbul	F	30	86	Venice	S	15	59
Jeddah	S	33	91	Vienna	F	11	52
Jersey	C	13	55	Warsaw	C	10	50
Jo'burg	F	20	68	Zurich	S	8	46

C—Cloudy. F—Fair. R—Rain. S—Sunny.

Mortgage rate reduction of over 1½% unlikely

BY ANDREW TAYLOR

THE PROSPECT of a substantial drop in the mortgage rate when minimum lending rate eventually falls has receded further as a result of forthcoming building society tax changes.

Even if MLR were to fall by 3 percentage points during the next few months, it is unlikely that the mortgage rate would come down by much more than 1½ points from its present racord 15 per cent.

A sharp rise in the composite rate of tax paid by building societies is certain, following a review of investors' personal tax rates by the Inland Revenue.

The review is carried out every three years to determine the rate of tax societies should be paying on cash held in investors' accounts.

Under composite tax arrangements, interest payments made to investors are paid net of tax. Societies then remit a total tax bill based on estimates of the average personal rate of tax paid by investors.

Because of changes in the tax profile of investors since the last review, the composite rate of tax paid by societies is likely to rise from 22¼ per cent in the current financial year to 25¼ per cent in 1981/82. This is assuming that personal rate tax bands remain unaltered in the next Budget.

The effect of the increase would be to add a further £180m to the societies' 1980 tax bill, which, following tax rate changes in the last Budget, is expected to rise to £1.39bn from £1.3bn last year.

With next year's composite tax rate increase in mind, building society chiefs are already working out their likely responses to future reductions in lending rates.

Recent discussions between society managers have indicated that even a further 3 percentage point reduction in MLR on top of the 1 percentage point fall announced this summer is unlikely to prompt much more than a 1½ per cent decline in the mortgage rate.

Moreover, societies would find it very difficult to cut their rates at all if MLR fell by no more than one percentage point unless there was a very firm indication that further reductions in interest rates would follow shortly.

Societies have calculated that to recoup the rise in this year's tax bill, mortgage rates would have to rise by a further ¼ of a percentage point. If the composite rate was to rise a further three percentage points in 1981-82, this would equal a one point increase in the mortgage rate.

German growth estimate cut

BY STEWART FLEMING IN FRANKFURT

THE PERFORMANCE of the West German economy in the second half of 1980 and in 1981 will be considerably weaker than previously expected, according to preliminary projections released yesterday by the Economics Ministry.

The projections, which suggest that Germany could again find itself with more than 1m unemployed next year, seems certain to increase pressure on the Bundesbank, the West German Central Bank, further to relax its monetary policy.

But as made clear by the performance of the Deutschemark on the foreign exchange markets over the past week, and remarks made recently by Herr Karl Otto Poehl, president of Bundesbank, the Bundesbank feels that it has little room for manoeuvre.

The projections for the German economy are not official Government estimates, but figures prepared by the Economics Ministry to help the budget-planning process.

They suggest that real growth in the Federal Republic in the current year will be about 2 per cent, instead of the 2.5 per cent officially predicted.

Next year the Economics Ministry expects real growth to be in the 0 to 1 per cent range, considerably below the growth which some private economists have been expecting.

The assumptions behind the forecast include no widening of the Gulf war, and the emergence of Germany's trading partners, especially the U.S., from recession.

Unemployment is expected to increase to 4 to 4.5 per cent from the 3.5 per cent expected this year, and fixed asset investment to rise by only 2 to 4 per cent compared with an expected 12 per cent rise in 1980.

Inflation, however, is expected to ease further from about 5.5 per cent this year to between 3.5 and 4 per cent.

Australian stocks

Continued from Page 1

major exchanges, Sydney and Melbourne. Investors concentrated on leading mining and industrial shares.

But brokers reported that local small investors, who have been relatively inactive recently, were also buying heavily.

Orders also came in yesterday from Europe, where some offices remained open on Sunday night to place bids. Brokers bought heavily yesterday to offer scrip to London.

The market leader Broken Hill Proprietary set the tone when it jumped A$1 at the opening of trading and finished the day A$1.40 ahead at A$16.75, its best price for a decade.

Broken Hill Proprietary also topped the turnover list with 230,000 shares traded worth A$4m.

Other heavyweights which scored impressive gains included CSR, up 50 cents to A$7.60, CRA 90 cents to A$7, Peko-Wallsend A$1.50 to A$12.50 and Western Mining Corporation 64 cents to A$6.30.

Oil stocks were also in demand led by the North West Shelf partner, Woodside Petroleum, which rose 48 cents to A$3.36 after touching A$3.70 and the Cooper Basin natural gas and liquids patrner, Santos, which jumped A$1.70 to A$15.50. The National Oil and Gas Index soared 98.7 points or 12 per cent to 921.5.

Industrial Stocks also rose strongly with the National All Industrials Index adding 19.5 points to 620.1. The euphoria also spilled over into the speculative area with widespread gains registered.

Foreign banks shy off UK council loans

BY ROBIN PAULEY

FOREIGN BANKS are becoming increasingly wary of participating in syndicated loans to British local authorities.

Japanese banks in Tokyo have discreetly asked their London branches not to participate in further loans to local authorities until their credit rating is clearer.

When the temporary holdback ends, the banks have been told to check the finances of each authority which comes forward for a loan.

The caution is being urged by the Japanese bank head offices, but little banking activity occurs overseas without the close involvement of the Finance Ministry in Tokyo.

Unease has been growing in financial markets since the Government announced earlier this year that it considered a number of councils "profligate spenders" which it intended to penalise.

The subsequent list of 14 authorities to be penalised by the retention of a portion of grant has fuelled anxiety abroad about council's credit worthiness.

This has resulted in a two-tier market in the City for authorities seeking loans, depending on whether they appear on the list.

It has added to fears that some councils might be bad risks and could default on loan repayment—an eventuality described by the Treasury as inconceivable.

Local authorities wanting to raise loans in the City usually approach a broker specialising in local authority finance who then offers the mandate to a merchant bank.

The bank acts as the lead bank and puts together a package which may involve a consortium of British and overseas banks.

Local authority loans are a growing sector of the market. They now total about £10bn a year.

Foreign banks have been increasingly active in the syndicates. German and U.S. banks have always been keen participants. The Japanese became enthusiastic more recently.

Until the present doubts arose, local authority loans were regarded as highly attractive to overseas banks because of the good return on a secure investment.

More than one foreign bank recently declined to be involved in a syndicate for authorities on the list of penalised councils. Other banks have put a surcharge of 1/16 or ⅛ of a percentage point on the terms.

The present average rate for a standard five-year syndicated loan of £5m to £7m is about ⅛ of a percentage point over the three-month London, inter bank rate, currently at 16⅜ per cent.

Merchant bankers and local authority money brokers in the City said yesterday they thought the Japanese move was temporary, to allow time for details of council finances to be sent to Tokyo.

Mr. Noel Hepworth, director of the Chartered Institute of Public Finance and Accountancy, said he had been told of the Japanese action. This again, he said, underlined the level of misunderstanding which existed about councils' creditworthiness.

Local authorities were totally secure sources for investment

The nervousness about possible default on loan repayments has been fuelled by comparisons of some council finances with those of New York City and talk of bankruptcy.

A local authority in Britain cannot go bankrupt. Treasury officials have emphasised that there could be no question of withdrawing the last resort status of the PWLB to leave councils without borrowing facilities.

Such a move would cause unacceptable upset in the market and push interest rates up substantially.

Spending in shops falls sharply

By David Churchill and David Marsh

THE VOLUME of spending in the shops fell sharply last month after relative buoyancy during the summer.

Retailers are feeling the full force of recession following the end of summer promotions in which sales were temporarily boosted by price cuts.

The index of retail sales volume in September was 1.6 per cent down on August to give a provisional index figure of 98.5 (1976=100), according to seasonally adjusted statistics yesterday from the Department of Trade.

The volume of sales in the July to September quarter was more than 3 per cent below the level of the first three months of the year, when sales held up relatively well.

Partly reflecting the impact of extensive price cutting campaigns, retail activity during the first nine months of 1980 as a whole, was about 1 per cent down on the same period last year.

Price cuts aimed at shifting stocks have hit companies' profit margins. In cash terms, retailers' sales this year have risen by about 13 per cent compared with the first nine months of 1979—about 6 percentage points below this year's average inflation rate.

RETAIL SALES

		Volume seasonally adjusted (1976=100)	Value non-seasonally adjusted, percentage change compared with year earlier
1979	Q1	100.4	+10
	Q2	106.0	+15
	Q3	99.0	+11
	Q4	101.0	+14
1980	Q1	102.4	+18
	Q2	100.6	+10
	Q3	99.2*	+12*
	July	99.3	+13
	Aug.	100.1	+ 9
	Sept.	98.5*	+12*

* Provisional

Source: Department of Trade

The Retail Consortium, which represents the bulk of Britain's retailers, described the figures as depressing. Mr. Richard Weir, the consortium's director, said they indicated that the recession was biting even more deeply and more widely than thought.

Mr. Weir said the main problem was that consumers had less discretionary money to spend in shops, due to higher unemployment and the need to meet fixed regular outgoings such as loan repayments, fuel bills and transport charges.

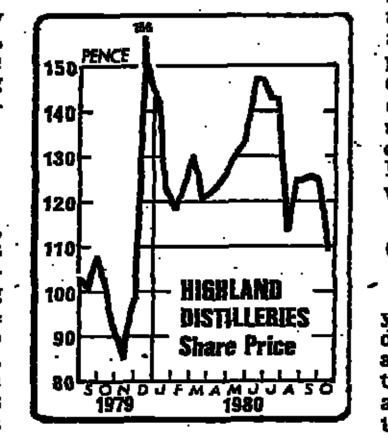
The bleak position facing retailers was confirmed by many major retail groups throughout the country. The Debenhams stores group, which last week reported a sharp fall in its interim pre-tax profits, plans to launch its biggest price-cutting campaign in mid-season.

THE LEX COLUMN

The index-linked balance sheet

Sterling continued to be in heavy demand yesterday as tax payments kept the London money markets very tight. But the high money rates encouraged more round-tripping by some clearing bank customers, and clearing bankers were talking darkly about bringing in commitment fees on overdraft facilities.

Index fell 3.6 to 477.5



Index-linked bonds

When, around five years ago, Guest Keen and Nettlefolds was about to launch an index-linked bond, it was considering paying a coupon of nearly 4 per cent on capital indexed to the inflation rate. Then, as now, access to new equity or to the long-term bond markets was not easy. GKN and its advisers had even worked out a system of roll-overs for the cost of revaluing its liability which the Inland Revenue was prepared to allow for corporation tax purposes. The issue was scotched not by tax problems, but by the Bank of England's dislike of index-linking on principle.

Now that the Bank has withdrawn its objections, companies like GKN will presumably give the question a second thought. For one thing, the real coupon a blue chip company would have to pay—provided always that the Government kept out of the index-linked bond market itself—would probably be nearer 1 per cent than 4 per cent. A small offer of index-linked bonds made by tender might prove agreeably surprising to the borrower. In the secondary market such bonds, if they were scarce enough, might even be bid to a level at which they offered investors the more familiar negative rate of return.

Yet most finance directors are instinctively happier with the risk of paying 12 per cent for 20-year money, when they can get it, than entering into an indexed liability. This remains so despite the fact that in paying floating rates on medium and short-term debt, they are already facing interest costs which are in the long run more or less inflation-linked, with the added disadvantage of being heavily front-end loaded. However, bank debt, unlike bonds, can be refinanced at any time.

Clearly only a large corporation with a wide spread of borrowings would consider issuing index-linked paper at present: the difficulty of raising revenues in line with inflation, and the possibility of a long reflationary period with low real interest rates and high inflation would deter anyone else. The anxiety of major corporate borrowers to diversify the risks they run is perhaps the best reason for expecting an index-linked bond. At the moment, though, the treasurers who manage these portfolios of debt worry most about being below their normal weighting in fixed-interest liabilities.

Highland Dist.

Nearly all Highland Distilleries' profits increase from £4.6m to £5.8m pre-tax in the year to August came in the first six months, and the scope for growth in the current year seems limited. Two of the group's three main businesses are in for a sluggish period, at best. Demand for new malt whisky fillings could take quite a dip in 1981 as the blenders cut back their stocks in line with depressed sales. And there is unlikely to be much buoyancy in the sales of mature malt whisky to Robertson and Baxter for blending into Cutty Sark.

But Highland's strong card is its Famous Grouse blend, which now has total sales of roughly 1¼m cases, mostly in the UK where it claims nearly 8 per cent of the market. Whereas the UK market fell by around 13 per cent in the 12-month period, volume sales of Famous Grouse rose 9 per cent, and export volume was 14 per cent higher compared with a 3 per cent fall for the industry. The brand is now being pushed hard into the English market, where its share is still quite small and its sales last year rose by around a quarter.

The value of the Famous Grouse brand was underlined during the takeover attempt by Hiram Walker. That was scotched by the Monopolies Commission, and the shares now stand about a third below their peak. Yet Highland has become the premium name in the distillery sector, and although the yield is only 3½ per cent the dividend is covered over 1½ times by current cost earnings. This cover will be usefully higher if Highland decides to equity account Robertson and Baxter, a move which it is now considering.

Company finances

Company after company this year has reported a collapse in demand in the second quarter after fairly buoyant trading in the first couple of months. But another pattern emerges from the official financial statistics, which show that, after the sharp £3.8bn rise in net borrowing by industrial and commercial companies in the first quarter, the financial pressure seems to have eased considerably in April-June. Net borrowing in this period has risen by a relatively modest £0.9bn and the encouraging picture is mirrored in the small second quarter net deficit on financial assets of £106m (although the backward revisions and unidentified transactions make the series unreliable in the short term).

Companies have continued to destock and have spent less money on taking each other over, while so far, as the CSO has already reassured us, gross trading profits have held up.

But although the overall squeeze on the company sector this year looks like being considerably less severe in real terms than in 1974, the impact on manufacturing companies is proving just as great as in the last recession. While cash holdings in the second quarter have jumped £1.7bn—presumably among non-manufacturers like the oil companies—borrowing from the banks has risen even more—by £2.4bn.

Deposit takers

In case anyone ever doubted it, the reconstruction of the Sterling Credit Group shows that licensed deposit-takers are not subject to quite the same rules as engineers in the West Midlands. The group's equity has been more or less wiped out, and its short-term borrowings exceed £5½m. Yet its main bankers, Midland and Bankers Trust have agreed to play a major role in the proposed reconstruction. The Bank of England evidently played a "passive" role in the discussions.

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